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I. Introduction

A. Background and Purpose

The purpose of this Manual is to establish consistent program and project management procedures for staff and subrecipients to guide the administration of the State's traffic safety program in compliance with U.S. DOT, NHTSA regulations. Best practice requires that the State highway safety office (HSO-SHSO) have in place a current Manual which documents standard operating procedures and the management of the traffic safety program. The Manual contains a written record of approved current administrative and financial procedures. It serves as a guide to assist staff and administrators in performing their assigned functions.

This Manual does not, however, specifically address all regulations which must be followed. References to other Federal and State manuals and policies are necessary.

This Manual is intended for use by HSO personnel, Department employees, State and local government officials, and anyone interested in the procedures which are followed by the HSO.

B. Updating Manual

The HSO will review the contents of the Manual at least on an annual basis to ensure that the procedures remain current and accurate. Program and regulatory revisions received from State and Federal sources shall be made and distributed immediately upon receipt of notification.

The HSO Program Control Analyst is assigned the responsibility for updating the Manual, including the Table of Contents and Appendices, on at least an annual basis. Revisions requiring immediate attention may be initiated at any time. The Manual is maintained on the Department's web site for easy access by HSO staff and other interested persons. HSO staff should be notified by email of any updates made to the Manual. A group email list should be maintained of all HSO staff and other interested persons who should be notified of the Manual updates.

All members of the HSO staff are advised where to obtain an electronic copy of this Manual and be held accountable for following the processes outlined in this Manual. Where applicable, HSO staff performance evaluations may be tied to compliance with this Manual.

C. Reference to State Department Policies and Procedures

The laws and regulations of the HSO's State Department also govern the HSO traffic safety program. The Department has created policies and procedures that may be pertinent to the administration of the traffic safety program. These policies should be reviewed periodically and serve as a guide to assist HSO staff and administrators in performing their assigned functions. All chapters contained herein pertain to the HSO.

The Colorado Department of Transportation, Office of Transportation Safety is responsible for developing and implementing the Governor's Highway Safety Program under Colorado Revised Statutes (24-42-101, et seq., C.R.S.). The primary goal of this program is to reduce traffic crashes, fatalities and injuries in Colorado through the coordinated efforts of State and local agencies, groups and associations.

The policies and procedures contained herein are included by reference and apply to all contracts and agreements administered by the Office of Transportation Safety and funded under Sections 154, 157, 402, 405, 408, 410 and 411, Title 23, U.S.C.

Any differences between local policies and procedures and those contained herein will be resolved between the Director, Office of Transportation Safety, and the concerned party.

D. Federal Laws and Regulations

The U. S. Congress authorizes traffic safety funds to be appropriated to the U.S. DOT, NHTSA. NHTSA apportions and distributes these funds to the States. NHTSA apportions and provides a limitation on obligations that indicates the amount of funds available for each State. The States liquidate these funds through the annual State Highway Safety Plan (HSP) which is subject to NHTSA review and approval.

Federal regulations govern the daily administration of traffic safety grants at the State level. Administrators of traffic safety grants and their grantees shall be familiar with and follow each cited title and rule to effectively design and manage programs. Thorough knowledge of these regulations will reduce a majority of grant questions before they become problems.

i. Highway Safety Act of 1966

The State traffic safety program operates under the provisions of the Federal Highway Safety Act of 1966, [23 USC 402, et seq., specifically 402\(b\)\(1\)](#)

The corresponding regulation contained in the Code of Federal Regulations (CFR), [23 CFR Part 1200.10 - 15](#) requires the State's Highway Safety Plan (HSP) to have certain features before it is approved. These features are contained in a number of Federal regulations and guidelines (See Appendix A. Federal Regulations, Documents and Guidelines). The Federal Highway Safety Act of 1966 makes the State's Governor responsible for preparing and administering a statewide traffic safety program designed to reduce traffic crashes and the resulting injuries, fatalities and property damage. The Governor has named the *Director* of the Colorado Department of Transportation to act as his or her representative for the State's traffic safety program. The HSO is located within the Office Director of the *Office of Transportation Safety*

The reauthorization of funding to support highway safety programs is a separate act. Most recently Congress enacted in 2015 the Fixing America's Surface Transportation (FAST) Act which will be effective for most behavioral safety programs with the FY2017 grant year. The Act contains funding authorization for five years beginning with 2016.

ii. OMB Uniform Guidance FY 2016 Grants

Effective with FY2016 grants, the U.S. Department of Transportation adopted the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), referred to as the Uniform Guidance. This part supersedes and repeals the requirements of the DOT Common Rules (49 CFR part 18—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and 49 CFR part 19—Uniform Administrative Requirements—Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations), except that grants and cooperative agreements executed prior to December 26, 2014, shall continue to be subject to 49 CFR parts 18 and 19 as in effect on the date of such grants or agreements.

iii. Lobbying Restrictions

Lobbying restrictions are contained in two Federal laws. The Anti-Lobbying Act, 18 U.S.C., Part 1913, prohibits the use of Federal funds for "grassroots" lobbying campaigns that encourage third parties, members of special interest groups or the general public to contact members of Congress; of a State or local legislature; or an official of any government in support of or in opposition to a legislative, policy or appropriations matter. It applies to activities both before and after the introduction of legislation. These prohibitions apply to all DOT funds, including NHTSA funds awarded to States under grants, cooperative

agreements and contracts. These prohibitions apply to State officials whose salaries are supported, in whole or in part, by NHTSA funds and to recipients of NHTSA funds awarded under contracts, grants cooperative agreements and sub awards.

The Transportation Equity Act for the 21st Century (TEA-21), which is unchanged by SAFETEA-LU and the most recent reauthorization Moving Ahead for Progress in the 21st Century Act (MAP-21), prohibits the use of NHTSA funds for “any activity specifically designed to urge a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body”. These restrictions do not apply to State officials engaged in State-sanctioned communications with their legislatures, even if their salaries are supported, in whole or in part, with NHTSA funds. Any direct communications between State executive officials and State or local legislators properly are governed by the laws, regulations and customary practices in the State.

State and local officials and legislative bodies are authorized to invite Federal officials to testify before legislative bodies on pending legislation. Such invitations should be documented in writing.

These restrictions apply to subrecipients as well. Subrecipient certifications which are included with the notice to proceed (see Award Notification on OTS Shared Drive) must include a prohibition from using federal grant funds in violation of the lobbying restrictions. If any funds other than federal funds have been paid for by lobbying, the provisions of the federal Lobbying Disclosure Act of 1995, as amended (2 U.S.C. Part 1601) must be followed. For additional federal guidance, see NHTSA Guidance on Lobbying Restrictions. State officials and subrecipients may engage in advocacy activities as distinguished from lobbying. Such advocacy may include but not limited to: holding periodic briefings for elected officials, developing general materials about legislation such as fact sheets, sharing research reports with legislative staff, giving testimony upon request (unless prohibited by State restrictions) and involving elected officials in programs, meetings and press events.

iv. Internal Management Controls

The HSO Project Managers in conjunction with the Program Control Analyst have responsibility to reasonably ensure that: (a) programs achieve their intended results; (b) resources are consistent with agency mission; (c) programs and resources are protected from waste, fraud and mismanagement; (d) Federal laws and regulations are followed; (e) reliable and timely information is obtained, maintained, reported and used for decision making; and (f) reasonable measures are taken to safeguard protected personally identifiable information and other information designated as sensitive, see [2 CFR Part 200.303](#).

v. Other Applicable Office of Management and Budget Circulars

Beginning with the FY2016 highway safety grants, the Federal regulations at 2 CFR Parts 200 and 1201 supersede requirements from OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133. NHTSA grantees are responsible for following all standards in 2 CFR Part 200 as modified by 2 CFR Part 1202. (See Appendix B. OMB Circulars).

vi. Documents Available on the Internet

Most of the referenced Federal regulations and other cited procedural documents are available in the [NHTSA Highway Safety Grants Management Resources](#) which is on the Internet.

E. State Laws and Regulations

STATUTORY AUTHORITY. Under Colorado Revised Statutes *(24-42-101 through 24-42-104)* the Office of Transportation Safety (OTS) is created within the Colorado Department of Transportation. Under Code of Federal Regulations; the Highway Safety Act of 1966 Title 23, Section 402, each state is required to have a highway safety program. The Colorado Highway Safety Program, including the Highway Safety Office (HSO), is managed within the Colorado Department of Transportation, Office of Transportation Safety. **The goal of the CDOT Office of Transportation Safety is to contribute to reducing the number of motor vehicle crashes, fatalities, injuries and the associated social and economic losses resulting from these crashes.**

1. Safety Program Responsibilities. The following powers, duties, functions and responsibilities are assigned to this program.
 - a. Identify and analyze the nature and complexity of traffic safety problems statewide.
 - b. In partnership with other state and local government agencies, along with not for profit organizations, and others; formulate both tactical and strategic plans to address these problems statewide.
 - c. Perform the powers and duties of the office of the coordinator of highway safety in dealing with the federal government with respect to federal highway traffic safety programs and transportation safety legislation.
 - d. Coordinate CDOT's traffic safety programs with the traffic safety activities of other state departments, institutions, agencies and political subdivisions.
 - e. Advise and report to the governor and the general assembly on transportation safety plans, activities and effectiveness.
2. State Safety Programs. Also authorized by statute are three state highway safety programs:
 - a. High Visibility Drunk Driving Law Enforcement (HVDDLE) (CRS 43-4-901)
 - b. The Motorcycle Operator Safety Training Program (MOST) (CRS 43-5-501-5)
 - c. Law Enforcement Assistance Fund (LEAF) (CRS 43-4-401)
 - f. Coordinate CDOT's traffic safety programs with the traffic safety activities of other state departments, institutions, agencies and political subdivisions.
 - g. Advise and report to the governor and the general assembly on transportation safety plans, activities and effectiveness.

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II. Planning

A. Overview and Eligible Fund Uses

Each Federal fiscal year (October 1 – September 30) the HSO shall develop an HSP (Highway Safety Plan) to qualify for Federal highway safety funding. The HSP is prepared and submitted by the HSO to the *Director of the Office of Transportation Safety of CDOT* for review and comment. Upon approval, the HSP is forwarded by the HSO to the *Executive Director of CDOT*. After all Department approvals have been obtained, the HSO forwards the HSP to the National Highway Traffic Safety Administration (NHTSA) for approval. Federal approval of the HSP is in the form of a letter acknowledging that the State's submission of the performance plan, highway safety plan, certificates and assurances and cost summary complies with all Federal requirements. The HSP is due on July 1 annually and is submitted to NHTSA. The NHTSA Regional Office provides submittal instructions. A consolidated application process for the Section 402 program and six National Priority Safety Programs, codified into a single section as the Section 405 program, was established effective with the fiscal year 2014 application year. A seventh Section 405 program, Non-motorized Safety, was established by the Fixing America's Surface Transportation (FAST) Act effective with FY2017.

At the beginning of the HSP development process, the HSO considers a number of factors in determining project priorities and areas of emphasis. These factors are:

- Federal legislation and regulations
- State statutes
- Federal and national priorities and goals
- State and local problems

Other influences can be Federal and State legislative bodies, community-based organizations, local and national interest groups, State and local traffic safety related non-profit organizations and local governments. Projects can be proposed by members of any of these organizations, directly or indirectly. The key goal is to assure that all projects in the HSP are data driven as required by Federal law.

From time to time, Congress designates or earmarks Federal highway safety funds for specific purposes and uses. Projects developed in response to these earmarked funds must be data driven as well, with the earmarked funds dedicated to the areas of the State with the greatest threat to public safety.

Uniform Guidelines promulgated by the U.S. DOT Secretary list the eligible program uses:

- Speeding
- Occupant protection
- Alcohol or drug impaired driving
- Motorcycle,
- School bus safety
- Aggressive, fatigued and distracted driving
- Law enforcement services
- Driver awareness of commercial motor vehicles (FY17)
- Driver performance
- Bicycle and pedestrian safety
- Traffic records
- Emergency medical services (EMS).

The NHTSA interim regulations under MAP-21 eliminated the national priority areas. States may use grant funds more broadly in accordance with an HSP approved by NHTSA to address their traffic safety problems. These program areas then form the framework for providing detailed descriptions of the selected traffic safety projects.

Prior to FY17, MAP-21 provided for two new uses for funds apportioned under Section 402. A State may use the funds in cooperation with neighboring States for highway safety programs or related projects that may confer benefits on neighboring States. And States could use Section 402 funds to assist in demonstration projects carried out by NHTSA under Section 403 research and development projects. For FY 17 however the FAST Act removed the language pertaining to demonstration projects and States are now allowed to use Section 402 funds for research projects.

B. Highway Safety Plan (HSP) Development Process and Calendar

The HSP is required by the U.S. Department of Transportation (U.S. DOT), NHTSA regulations. The federal regulations outline the required contents of the HSP: planning process, performance plan, strategies and projects, performance report, program cost summary, certifications and assurances, Teen Traffic Safety Program and Section 405 grant application.

The HSP describes the processes used to identify the State's traffic safety problems, establish performance measures and propose the projects and activities the State plans to implement to reach its performance targets. Performance measures for each target track progress from a baseline toward meeting the target by the specified date.

The HSP development process consists of a number of stages:

- Problem identification
- Planning to select and prioritize targets and countermeasure strategies
- Identification of performance measures
- Participation from traffic safety related partners
- Development of funding priorities, the Program Cost Summary and list of projects
- Issuance of Requests for Proposal (RFP)
- Review, negotiation and approval of grant agreements
- Implementation

The HSO HSP is produced annually and is developed through discussions and meetings coordinated by the HSO. The HSO works with inter-agency groups, State and local government agencies, community coalitions and many others to develop the annual HSP. The initial planning meetings are attended by HSO staff only. These initial meetings allow for the review of prior year comments on prior activities (by Federal, State and local partners), the assignment of staff to draft the HSP program areas, the development of an initial budget and the production of rough drafts for each program area. Once an initial draft is produced, the HSP development meetings may be expanded to include other HSO traffic safety partners for solicitation of comments and input on potential strategies. Regional NHTSA and divisional FHWA representatives should be invited to meet with the HSO during the planning process to provide input and make recommendations early in the planning process.

i. NHTSA Review, Approval and Appeal Procedures

The HSO is required to submit the HSP electronically to NHTSA no later than **July 1** preceding the fiscal year to which the HSP applies. The deadline is **FIRM**. NHTSA must approve or disapprove the HSP within 45 days after receipt. NHTSA may need to request additional information from the HSO regarding the contents of the HSP to determine whether the statutory requirements have been met. To ensure that the HSP is approved or disapproved, the HSO must respond promptly to any requests from NHTSA. Failure to respond promptly may delay approval and funding of the State's Section 402 grant, see 23 CFR §1200.12.

Within 45 days, NHTSA will issue a letter of approval/ disapproval to the State's GR and may specify conditions. If the HSP is disapproved, the reasons will be specified. The HSO is then required to resubmit the HSP with the necessary modifications. NHTSA will notify the HSO within 30 days of receipt of the revised HSP, via a letter, whether the HSP is approved or disapproved. The decision of the Regional Administrator (RA) may be appealed by submitting a letter. The letter will be forwarded by the RA for consideration by the Associate Administrator, Regional Operations and Program Delivery, at NHTSA Headquarters. If the State's plan is not approved, NHTSA shall reduce the Section 402 funds by 20% of the amount that would otherwise be apportioned. The funds can either later be apportioned to the State when the plan is approved, or, if not approved, the funds will be apportioned to the other States.

Beginning in FY2014, the Section 405 grant application is consolidated with the HSP. NHTSA notifies States in writing, and specify any conditions or limitations, of Section 405 grant qualification before the start of the fiscal year of the grant and to notify States of grant award amounts early in the fiscal year. The decision of the NHTSA Administrator is final – there is no appeal process. Because the calculation depends on the number of States meeting the qualifications, States must respond promptly to NHTSA's requests for additional information. Failure to provide requested information may result in **disqualification** from receiving consideration for Section 405 grants, see 23 CFR §1200.14 (a).

ii. HSP Development Process Calendar

The following table illustrates a twelve-month planning calendar for the HSO HSP development process.

Table 1. HSP Development Process Calendar

November-December	<ul style="list-style-type: none"> • Closeout previous year programs and begin implementation of the current year's approved projects. • Set performance targets for HSO staff • Coordinate data and problem identification with the State's SHSP.
January - February	<ul style="list-style-type: none"> • Host an annual planning conference with partners to obtain input. • Review program data and targets to determine funding distribution and overall direction of program. • Consider the NHTSA regional response to the prior year's Annual Report, prior year HSP approval letter, and any applicable Management Assessment comments. • Distribute new Problem Identification document
March	<ul style="list-style-type: none"> • Solicit RFP and/or continuation funding applications for multi-year grant funding cycle. • Determine revenue estimates from OFMB, establish draft budget and review internally.
April-May	<ul style="list-style-type: none"> • Complete application review • Notify successful applicants • Send Denial notifications – process Reconsideration Requests • Convene program-area sessions with current and prospective subrecipients to create specific plans and outreach for projects within each program area. • Complete ISP template for NHTSA SHSP • Yearend closeout – accrual process, roll-forward of programs
June	<ul style="list-style-type: none"> • Draft the HSP including the Section 405 grant application for review by parent agency, NHTSA and program area experts. • Post subrecipient application on HSO web site. • Complete Task (WBS) creation in SAP
July - August	<ul style="list-style-type: none"> • Review, print and submit the HSP for NHTSA review and approval. Respond promptly to any requests for additional information. • Develop HSO in-house grants
September	<ul style="list-style-type: none"> • Print, distribute and post the approved HSP. • Begin closeout of current year projects • Begin Contracts and POs for upcoming year • Schedule and complete Pre-work meetings with all grantees
October - November	<ul style="list-style-type: none"> • Implement grants and contracts. • Issue Notice To Proceed and award notification to selected grantees • Obligate funds to GTS • Establish and implement monitoring schedule for the year • Begin work on the Annual Report.
December 31	<ul style="list-style-type: none"> • Closeout fiscal year and prepare final cost summary • Submit annual report to NHTSA Regional Office

C. Coordination with the State Strategic Highway Safety Plan

The HSO is structurally located within the Department Transportation in The Office of Transportation Safety is responsible for the development of the State's SHSP.

The HSO shall coordinate closely with the State staff responsible for development of the SHSP to maximize integration and utilization of data analysis resources, fully represent driver behavior issues and strategies, and utilize any statewide safety committees to obtain input from State and local traffic safety partners for the HSO HSP. The HSO shall ensure that the targets and objectives contained in the SHSP are considered in the annual development of the HSP and incorporated to the fullest extent possible. The HSO shall review the SHSP and HSP to identify any gaps in addressing driver behavior issues and eliminate any redundancy to ensure the maximum use of resources.

The State is required to include in the HSP a description of the efforts made by the State to coordinate the HSP, and the outcomes of the coordination, data collection and information systems with the State SHSP. Examples of outcomes might include the joint use of the same databases, common targets in the HSP as derived from the SHSP or the creation of joint teams to collaboratively develop countermeasure strategies.

Recent years in Colorado have seen a plateau in our crash and fatality incidents. While CDOT has become more strategic and data-driven in our programs and project selections, recent results remind us that we need to continue to be more comprehensive and responsive to contributing factors that are increasing crashes on our roadways. Fortunately, CDOT just completed coordinating a statewide, multi-disciplinary, and multi-stakeholder visioning effort to reduce crashes in Colorado – the Strategic Highway Safety Plan (SHSP). Colorado now embraces Toward Zero Deaths as our vision for transportation safety and has articulated goals to move forward starting this year. The Plan also articulates measures and specific action steps to monitor progress on our goals and ensure progress. Implementation of the SHSP through coordinated efforts of all the SHSP contributors will be CDOT's focus in the next year and up through 2019 to enact this plan and reduce fatalities and crashes on Colorado's roadways. We will accomplish this by expanding our safety partnerships and by providing tools for safety advocates to work in partnership with us. We will continue our strong relationships with local governments and law enforcement to make traveling through Colorado safer than ever before.

CDOT's Office of Transportation Safety and Traffic and Safety Engineering Branch, will continue to partner with the National Highway Traffic Safety Administration (NHTSA), Federal Highway Administration (FHWA), CDOT's Office of Communications, our CDOT Regions, and our local transportation safety partners, to move our Integrated Safety Plan forward. In so doing, we will save lives and reduce injuries and crashes and reduce the associated economic impact that are associated with them.

Beginning with grants awarded after FY2014, the performance measures common to the State's HSP and the State Highway Safety Improvement Program (HSIP) (fatalities, fatality rate and serious injuries) are required to be defined identically, as coordinated through the State's SHSP.

The statewide fatality rate is the primary means of measuring the Department's effectiveness in increasing safety for users of the state highway system. Providing a safe and secure transportation system is CDOT's highest priority. The fatality rate is the number of fatalities per 100 million Vehicle Miles Traveled (100 MVMT) on Colorado highways.

D. Governors Highway Safety Association HSP Guidance

The GHSA represents agencies in each of the States and territories responsible for developing and managing statewide and local highway safety programs designed to reduce the human and economic consequences of crashes, injuries and fatalities experienced by the nation's road users.

To assist the States, the GHSA has developed guidance, see [GHSA Guidance for Development Highway Safety Plans](#). The Guidance describes the required elements of the HSP as well as providing suggested processes for problem identification, data analysis, setting performance targets and developing and selecting performance measures.

The GHSA HSP Guidance is located on the GHSA web site in the Resources/Planning page. This page on the site also contains the [GHSA Annual Report Guidance](#).

References to the applicable Federal regulations are provided in the GHSA HSP Guidance. The HSO may include additional analysis and information in the HSP at its discretion. In development of the annual HSP, the HSO shall follow and reference the GHSA HSP Guidance to assure that all of the federally mandated and recommended information and documentation of the HSP development process are addressed. For this purpose, an "HSP Quick Review Checklist" is the first item contained in the Guidance and should be used during and at completion of the draft HSP to ensure that all required elements have been included.

This checklist consists of three columns:

- A. **SHSP Requirements:** Column A lists the key SHSP requirements, by topic area, for the SHSP and the specific reference in the HSIP statute or regulation.
- B. **Indicators:** Column B provides indicators that the State meets the requirement.
- C. **Requirement Status:** Column C provides a place for the Division Office to document the determination for each requirement (meets or does not meet) and to document supporting information for whether the State has satisfied or not satisfied the requirement.

http://safety.fhwa.dot.gov/legislationandpolicy/fast/shsp_checklist.cfm

E. Identification of State and Local Problems (Data Analysis Procedure)

A description of the data sources and processes used by the State to identify its highway safety problems is required in the HSP. The State is also required to identify the participants involved (committees, stakeholders, constituent groups, etc.). The information and all data sources utilized in these processes must be listed. The Core required performance measures should be examined as part of this initial problem identification process, see Sections F. and G. for information and further guidance.

The purpose of the HSP problem identification and assessment process is to:

- Understand the scope of the State’s traffic crash problem and causation factors
- Develop effective countermeasures to reduce or eliminate the problems
- Design evaluation mechanisms to measure changes in problem severity
- Manage influencing factors by using statistical crash data to highlight a particular problem in order to obtain the necessary support for instituting an effective countermeasure

The problem identification process used by the HSO includes analysis of traffic safety data from established statewide sources. The process is completed in June by the *HSO Department Managers* and provided to the HSO staff for review. The statistics analyzed are historical data collected over time through a uniform process. These statistics include the:

- State traffic crash database - crash, vehicle, and person data
- Data on average daily traffic counts and vehicle miles traveled
- Federal Fatality Analysis Reporting System (FARS)
- Vehicle and Driver Information - the State’s driver license, vehicle registration, and citation/conviction files
- Trauma Registry *[if applicable]*, Injury data and EMS databases
- Census and demographic data
- **The result of the HSO problem identification process is the establishment of the major traffic safety program areas in which to focus the State’s efforts.**

Data elements fall into three general categories: people, vehicles, and roadway. These categories may be broken down into subgroups and assigned relevant characteristics, as shown in the following table.

Table 2. Categories of Traffic Safety Data

Data Category	Subgroups	Notes:
People	Drivers, occupants, pedestrians	Age, gender, blood alcohol level, driver’s education experience and training
Vehicles	Passenger cars, trucks, buses, motorcycles, bicycles, etc.	Sedans, SUVs, convertibles, airbags, anti-lock brakes, electronic stability control
Roadway	Interstate, primary, secondary	Political subdivisions, lighting conditions, surface conditions

Data subgroups should be reviewed to determine over-representation. Such over-represented subgroups indicate traffic safety problems. A good example is the high percentage of crashes among teenage drivers compared to the lower percentage of crashes among all drivers. Further analysis should focus on

identifying subgroup characteristics (for example, increased severity) or any other specific factors suggested by the data when asking the traditional “who, what, where, why and how” questions.

Over-represented factors can be determined by comparing the rate of crashes for a subgroup or characteristic within the jurisdiction to the same rate in a comparable or larger jurisdiction. The rate may be expressed either as a percentage or a ratio.

Percentage Example: If the percentage of adult vehicle occupants that do *not* use seat belts within a jurisdiction is greater than the statewide percentage, then that characteristic is over-represented.

Ratio Example: Dividing night time (10 p.m. to 6 a.m.) crashes by the total number of crashes for the jurisdiction within a given time frame produces a ratio. If that ratio is higher than the statewide ratio, a driving while impaired (DWI) problem may be indicated since typically many night time crashes are DWI related.

Asking the following questions may help with data analysis and ultimately problem identification.

Table 3. Questions to Help with Data Analysis and Program Identification

Question	Examples
Are high crash incidence locations identified?	Specific road sections, highways, streets, and intersections
What appears to be the major crash causation?	Alcohol, other drugs, speed, other traffic violations, weather, road condition
What characteristics are over-represented or occur more frequently than would be expected in the crash picture?	Number of crashes involving 16- to 19-year-olds versus other age groups, or, number of alcohol crashes occurring on a particular roadway segment as compared with other segments
Are there factors that increase crash severity which are or should be addressed?	Non-use of occupant protection devices (seat belts, motorcycle helmets, etc.)

The following table shows an array of information that may be applied in the analysis of a crash problem.

Table 4. Information That May Be Applied to Problem Analysis

Causal Factors:	Crash Characteristics:	Factors Affecting Severity:
<ul style="list-style-type: none"> violation loss of control weather alcohol involvement roadway design 	<ul style="list-style-type: none"> time of day day of week age of driver gender of driver 	<ul style="list-style-type: none"> occupant protection non-use position in vehicle roadway elements (markings, guardrail, shoulders, surface, etc.)

HSO staff should be alert to the following factors that may impede effective problem identification and make appropriate adjustments when they appear:

- Data access restrictions
- Inability to link automated
- Poor data quality
- Reporting threshold fluctuations (variations among jurisdictions in the minimum damage or crash severity they routinely report)
- Insufficient data (property damage only, non-reportable crashes, near misses, bicycle crashes, etc.)

F. Key Program Areas, Targets and Strategies

Using the data and information gathered through the problem identification process, the HSO then selects key program areas for emphasis and coordinates the development of priority traffic safety performance targets, performance measures and strategies for each program area using a planning process documented in the HSP. See Section A. Overview for a list of the eligible program uses.

i. Description of Target Setting Processes

The HSP is required to include a brief description of the processes used by the State to define its highway safety targets and develop projects and activities to address its problems and achieve its targets. The description of the process followed should be thorough and complete. In describing these processes, the State shall list the information and identify all data sources consulted. The State process for setting targets must be based on data trends and a resource allocation assessment. The HSO is required to identify all participants, agencies and organizations involved in the process and the manner in which they were involved must be described. Collaboration strategies should be included.

ii. Performance Targets

The performance plan is required to list the performance measures and data-driven targets the State plans to implement in the fiscal year. At least one performance measure and performance target that is data driven is required for each program area that enables the HSO to track progress, from a specific baseline, toward meeting the target (e.g., a target to increase seat belt use from X percent in Year 1 to Y percent in Year 2," using a performance measure of percent of restrained occupants in front outboard seating positions in passenger motor vehicles"). See Section G. Performance Measures below.

Selected targets should, whenever reasonable, represent an improvement from the current status rather than a simple maintenance of the current number or rate. Targets for each program area should be consistent, compatible and provide sufficient coverage of State geographic areas and road users.

For performance targets that are common across DOT agencies, the projects that will be deployed to achieve those targets may be a combination of those projects contained in the HSO's HSP and other State and local plans. If so, it is required that the funds used to carry out the program area strategies from those other sources, including Federal, State, local and private sector funds, be identified in the HSP.

The [Uniform Guidelines for State Highway Safety Programs](#) promulgated by NHTSA describe the guidelines with which each State's programs must comply. The overall State goal is to reduce traffic safety related crashes, deaths and injuries.

The most recent update of the HSP targets occurred in 2016. Within the HSO, responsibility for development and review of the annual key program areas, targets, measures and strategies is assigned to the HSO Department Managers and Director.

iii. Evidence-Based Countermeasure Strategies

The CDOT HSP is organized by program area which will be organized in the same order that the performance measures and targets are listed in the performance plan. Although it is not necessary to restate the performance measures and targets, the HSO chooses to do so. Each task or activity is identified with the corresponding target the State intends to reach by selecting that countermeasure. This is done to clearly show that the selected activities and funding are directly related to the targets determined earlier through data analysis and problem identification.

The HSP is required, at a minimum, to describe one year of Section 402 and Section 405 countermeasure strategies and projects, and, identify funds from other sources, including Federal, State, local and private sector funds that the HSO plans to use for such projects or to achieve program area performance targets. In addition, the HSP is required to include a description of the projects that make up each program area that will implement the program area strategies.

The HSP is required to provide a description of the process used and participants consulted (ensure the correct disciplines are included) to develop and select evidence-based countermeasure strategies and projects to address its problems and achieve its performance targets. When aggregated, strategies should lead logically to overall statewide performance and be linked to the anticipated success of the countermeasures or strategies selected and funded in the HSP (23 CFR 1200.11(b)). In selecting the strategies and projects, HSOs should be guided by the data and data analysis supporting the effectiveness of the proposed countermeasures. All data and data analysis supporting the effectiveness of the proposed countermeasures are required to be included. There are a number of resources which may be helpful for accomplishing this task. See [Countermeasures That Work: A Highway Safety Countermeasure Guide for State Highway Safety Offices](#), an annually-updated reference guide to help HSOs select effective, science-based countermeasures for major highway safety problem areas. This NHTSA publication was originally prepared with the assistance of GHSA. The GHSA web site contains the latest version. The AASHTO Strategic Highway Safety Plan is supported by the NCHRP 500 guidebooks covering a variety of countermeasures. The guidebooks contain the recent scientific research and knowledge regarding countermeasures effectiveness. The guides are posted at this web site <http://safety.transportation.org> which contains other tools developed for the implementation of the plan.

A complete listing of the HSP program areas with their respective and applicable Federal two - or three - letter alpha character accounting code designators is available (See Appendix C. HSP Program Area Accounting Code Designators).

iv. Evidence-Based Traffic Safety Enforcement Program The HSP is required to include a description of the evidence-based (data driven) traffic safety enforcement program which will be implemented during the year by the HSO to prevent traffic violations, crashes, and crash fatalities and injuries in areas most at risk for such incidents. At a minimum, the State is required to provide: (i) an analysis of crashes, crash fatalities, and injuries in areas of highest risk; (ii) deployment of resources based on that analysis; and (iii) continuous follow-up and adjustment of the enforcement plan. The SHSO may either develop a comprehensive enforcement program which covers all program areas, or, provide a separate enforcement program in each applicable program area. If a comprehensive enforcement program is developed, a reference to the applicable page within the HSP should be made in each program area. The SHSO must specifically describe within this section(s) the SHSO's planned process for ensuring that there will be continuous follow up and adjustment of the enforcement plan(s) by the SHSO during the fiscal year.

v. National Mobilizations

The HSP is required to include in the HSP a description of the HSO's planned high visibility enforcement strategies to support national mobilizations (which is referenced in 23 CFR Part 1200, Appendix A, Section 402 Certifications and Assurances).

The FAST Act requires not less than 3 high-visibility enforcement campaigns, (currently CDOT does 12) be carried out in each of fiscal years 2016 through 2020 related to not less than 1 of the following objectives: reduce alcohol-impaired or drug impaired driving or increase seatbelt use.

G. Performance Measures

The performance plan of the HSP must state a performance measure for each HSO target to track progress from a baseline toward meeting the target by the specified date using absolute numbers, percentages or rates. Performance measures are reviewed and updated each year, when necessary. The purpose of measuring performance is to determine whether programs are working and to what extent.

In the State's performance plan section of the HSP, each target is required to be accompanied by at least one performance measure that enables the State to track progress from a specific baseline toward meeting the goal (e.g., a goal to "increase seat belt use from XX percent in 20XX to YY percent in 20XX," using a performance measure of "percent of restrained occupants in front outboard seating positions in passenger motor vehicles"). The most recently released State and FARS data shall be used by the State. See [23 CFR Part 1200.11](#). The HSO project managers are responsible to ensure that every application includes measurable goals and activities. These evaluation measures will be included on all NHTSA ISP templates and, therefore, included in the HSP.

Core Performance Measures

Beginning with MAP-21, 11 Core performance measures developed by NHTSA in collaboration with GHSA and others, described in [Traffic Safety Performance Measures for States and Federal Agencies](#) (DOT HS 811 025) are required to be used as a minimum in developing the State's performance measures and targets. Therefore, it is essential to examine each of these measures as part of the initial problem identification process. There are also three activity measures which must be reported annually. The measures are:

OUTCOME AND BEHAVIOR MEASURES

1. Fatalities (actual-FARS)
2. Number of serious injuries (State crash file)
3. Fatality rate per 100M VMT (FARS, FHWA)
4. Number of unrestrained passenger vehicle occupant fatalities, all seating positions (FARS)
5. Number of fatalities involving driver or motorcycle operator with .08 BAC or above (FARS)
6. Number of speeding-related fatalities (FARS)
7. Number of motorcyclist fatalities (FARS)
8. Number of unhelmeted motorcyclist fatalities (FARS)
9. Number of drivers age 20 or younger involved in fatal crashes (FARS)
10. Number of pedestrian fatalities (FARS)
11. Number of bicyclist fatalities (FARS) (FY15)
12. Percent observed belt use for passenger vehicles – front seat outboard occupants (State survey)

ACTIVITY MEASURES

13. Number of seat belt citations issued during grant-funded enforcement activities (grant activity reports)
14. Number of impaired driving citations issued and arrests made during grant-funded enforcement activities (grant activity reports)

15. Number of speeding citations issued and arrests made during grant-funded enforcement activities (grant activity reports)

Program areas outside of the GHSA-NHTSA Core performance measures may be included if sufficient justification for addressing those issues has been established in the problem identification process and appropriate performance measures have been developed by the State, such as, distracted driving and bicycle safety.

Performance measures (and corresponding performance targets) are required to be developed for each program area that receives funding by the HSO. If the HSO intends to fund programs outside the Core measures, for each of these other programs, performance measures are required as well as: (i) documentation of current safety levels; (ii) quantifiable annual performance targets, and; (iii) justification for each performance target that explains why the target is appropriate and data driven.

NOTE: Beginning with grants awarded after FY2014, the performance measures common to the State's HSP and the State Highway Safety Improvement Program (HSIP) (fatalities, fatality rate and serious injuries) are required to be defined identically, as coordinated through the State's SHSP. The State's annual targets are required to support the longer range SHSP targets.

A performance measure is an indicator to express the activity that will be used to establish a performance target and must be directly aligned to the target(s) of a project. Performance measures when combined with the performance target provide the basis for determining the degree of achievement of established targets. Acceptable activity levels or outputs shall be established as part of each grant agreement.

There are two common types of performance measures: direct and proxy. *Direct measures* are preferred. Examples of direct measures include: number of crashes, citations, people trained, units purchased, etc. Sometimes it is impossible to obtain direct measures. If such is the case, a proxy measure might be used. *Proxy measures* are indicators that provide an indirect assessment of desired activity. An example is a self-reporting survey conducted among a statistically valid sample of the population to determine behavioral change (recognition of public service announcements on television or radio, seat belt usage, impaired driving issues, etc.).

The characteristics of a good performance measure are that it is:

- Quantifiable where possible
- Directly linked to objectives
- Accurate and clearly defined
- Understandable
- Objective
- Practical

For a more detailed explanation of the measures, see: [GHSA/NHTSA Frequently Asked Questions on Performance Measures](#).

Within the HSO, responsibility for development and review of the annual performance measures is assigned to the program manager(s) in conjunction with the Department Managers and is a requirement for each approved application and will be included in the NHTSA ISP document.

H. Section 405 Application Information-Appendix D

Beginning with FY2014, there is a single application deadline for all highway safety grants including the traditional Section 402 program and incentive grant programs. The National Priority Safety Programs, or incentive grant programs, are codified in a single section, 23 CFR 405 and referred to as Section 405. These programs include: Occupant Protection, State Traffic Safety Information Systems (Traffic Records), Impaired Driving Countermeasures, Motorcyclist Safety, Distracted Driving, State Graduated Driver Licensing and for FY17 a new program, Nonnotarized Safety.

The Interim Final Regulations (IFR) issued in January 2013, in the Federal Register to implement MAP-21 are posted by NHTSA at [Part 1200 Uniform Procedures for State Highway Safety Programs](#). The specific requirements are detailed in the IFR for States who want to make application for any of the Section 405 grant programs. Revised Regulations are expected in 2016 to implement the changes and additions in the FAST Act effective with FY17 grants.

Within the IFR and electronically provided by NHTSA, is a required template (Appendix D) for States wishing to apply for these grant programs. As part of the Section 405 application, the State is required to provide specific information which varies depending on the National Priority Safety Program incentive grant(s) for which the State wishes to receive funding consideration. This information may either be provided as attachments to the HSP or be included within the HSP. In some instances, the information is lengthy or is contained in a separate document that may be available electronically on the internet. In those instances, the only practical method to include the information is as an HSP attachment or an electronic link. However, the IFR should be referenced to determine specific requirements.

Although a consolidated Section 402 and Section 405 application is required to be submitted by the SHSO, it is recommended that the SHSO prepare separate sections within the HSP for Section 402 and for Section 405. The Section 402 application is reviewed by the NHTSA Regional Office. The program portion of the Section 405 application is reviewed by a NHTSA Team and the legal requirements are reviewed by the NHTSA legal counsel. In order to avoid providing redundant information in the Section 405 portion, the SHSO may provide reference to the pertinent page number(s) within the HSP where the required information can be located. The shared information typically related to the program area, such as, problem identification, data analysis, performance measures and performance targets.

At the end of each program area, the HSO may include two separate Program and Budget Summaries for each program area: one for the projects to be funded by Section 402 and other funding sources and one for the projects that would be funded under the Section 405 grant program. Or, the HSO may decide to provide a combined Program and Budget Summary which includes all projects within the program area and identifies the appropriate funding source within the table.

i. Maintenance of Effort (MOE)

Beginning FY17, for MOE the HSO shall provide a certification that the lead State agency responsible for those traffic safety programs is maintaining aggregate expenditures at or above the average level of such expenditures in the two fiscal years prior to the date of enactment of the FAST Act. (FAST act enacted 12/2015) MOE average expenditure years will be 2013 and 2014

WAIVER: There is a one-time exception allowed for the HSO to request a MOE waiver which is typically for fiscal and natural disasters.

ii. Planning and Administration (P&A) Costs

No P&A costs are allowed from Section 405 grant funds.

P&A can be included in 402 funds not to exceed 10% of funding. CDOT HSO funds XXXNHTSA402.9701 at \$300,000 approximately 10% of the estimated \$3.6 million funding each year.

iii. Eligible Uses of Section 405 Funds

The eligible uses of grant funds awarded under Section 405 is dependent upon the specific program and fiscal year for which funds are awarded and shall be limited to the following, see 23 CFR Part 1200.21 - 26:

Section 405 Program	Eligible Uses and Limitations
<p>Occupant Protection (OP) §1200.21</p> <p>Lower Use States cannot use Section 405 funds for OP Assessments. High Use States can use Section 405(b) funds for Section 402 activities including OP Assessment costs.</p>	<ul style="list-style-type: none"> • High Use States: Up to 75% <u>prior to FY 17</u> and 100% for FY17 for any project or activity eligible for funding under 23 USC 402 and <u>the balance</u> for the OP projects below. • Lower Use States – only the following: <ul style="list-style-type: none"> - High-visibility enforcement mobilizations including paid media that emphasizes publicity for the program and law enforcement - Training OP safety professionals, police, fire and EM personnel, educators and parents concerning all aspects of the use of child restraints and OP - Educating the public on the proper use and installation of child restraints including related equipment and information systems - Providing community CPS services including programs on proper seating positions for children and how to reduce the improper use of child restraints - Establishing and maintaining information systems containing data concerning OP including the collection and administration of CPS and OP surveys, and, - Purchasing and distributing child restraints to low-income families provided not more than 5% of the funds received in a fiscal year are used for such purpose
<p>Traffic Records §1200.22 <u>(no change for FY17)</u></p>	<p>100% to make quantifiable, measurable progress improvements in the accuracy, completeness, timeliness, uniformity, accessibility or integration of data in a core highway safety database</p>
<p>Impaired Driving (AL) §1200.23</p> <p>For formula grant States (identified as low, mid or high range) Section 405 funds</p>	<ul style="list-style-type: none"> • Low Range State: <ul style="list-style-type: none"> - <u>For FY17, up to 50% for Section 402 eligible projects</u> - High-visibility enforcement (HVE) efforts - *Hiring a full-time or part-time AL coordinator - Court support of HVE efforts, training and education of CJ professionals to assist in handling AL cases, hiring traffic safety

Section 405 Program	Eligible Uses and Limitations
<p>cannot be used for AL Assessments.</p> <p><u>Prior to FY 17</u> see NHTSA Q&A August 2014 on Sect.405 (d) Use of Funds for drug-impaired driving programs. *Programs specific to alcohol impairment only unless using catchall problem ID category. <u>For FY17, funds may be used for alcohol, drug or both, programs</u></p>	<p>resource prosecutors, hiring judicial outreach liaisons and establishing DWI courts</p> <ul style="list-style-type: none"> - *Alcohol ignition interlock programs - *Improving BAC testing and reporting - Paid and earned media in support of HVE of impaired-driving laws and conducting SFST training, ARIDE training and DRE training for law enforcement, equipment and related expenses used in connection with impaired driving enforcement - *Training on the use of alcohol screening and brief intervention - <u>For FY17 training for and implementation of impaired driving assessment programs for identifying recidivism or mental health/substance abuse treatment</u> - Developing impaired driving information systems - Costs associated with 24 – 7 sobriety programs - Programs designed to reduce impaired driving based on problem ID (catchall for any program that covers impairment from AL or drugs provided the State has justification through problem ID) • Mid-Range State: Any of the programs listed for Low Range States IF advance approval is received from NHTSA • High Range State: Any of the programs listed for Low Range States IF the proposed uses are described in a statewide AL plan submitted to and approved by NHTSA prior to incurred expenses or vouchers submitted. See §1200.23 penalties for failure to timely provide the AL plan.
Ignition Interlock §1200.23 (4)	<ul style="list-style-type: none"> • For any authorized use described in §1200.23 AL • For any eligible project or activity under Section 402 including AL Assessments and drug-impaired driving programs
<p><u>FY 17</u></p> <p><u>24/7 Program</u></p>	<ul style="list-style-type: none"> • <u>For any authorized use described in §1200.23 AL</u> • <u>For any eligible project or activity under Section 402 including AL Assessments and drug-impaired driving programs</u>
<p>Distracted Driving (DD) §1200.24</p> <p><u>Additional limited DD grants available for FY17 and FY18</u></p>	<ul style="list-style-type: none"> • At least 50% to educate the public through advertising concerning information about the dangers of texting or using a cell phone while driving, for traffic signs that notify drivers about the DD State law or for law enforcement costs related to DD law enforcement • Not more than 50% for any eligible project/activity under Sec. 402 and for FY17 not more than 75% if the State has conformed its distracted driving data to the most current MMUCC

Section 405 Program	Eligible Uses and Limitations
<p>Motorcyclist Safety (MC) §1200.25 (Territories not eligible)</p> <p>Note: A State that receives a MC grant may sub allocate funds to a nonprofit organization incorporated in that State to carry out grant activities under this section.</p>	<ul style="list-style-type: none"> • Improvements to MC training curricula • Improvements in program delivery of motorcycle training to both urban and rural areas including (A) purchase or repair of practice motorcycles; (B) instructional materials; (C) mobile training units; (D) leasing or purchasing facilities for closed-course motorcycle skill training • Measures designed to increase recruitment or retention of MC training instructors, and, • Public awareness, PSAs and other outreach programs to enhance driver awareness of motorcyclists • <u>FY17- allows up to 50% for any eligible project or activity under Section 402 if State qualifies under specific performance criteria</u>
<p>Graduated Driver Licensing (GDL) §1200.26</p>	<p><u>Prior to FY17:</u></p> <ul style="list-style-type: none"> • At least 25% in connection with the State’s GDL law to: (i) enforce the GDL process; (ii) provide training for law enforcement and other relevant State agency personnel relating to enforcement of the GDL process; (iii) publish relevant educational materials that pertain to the State’s GDL law directly or indirectly; (iv) carry out administrative duties to implement the GDL process; or, (v) carry out a teen traffic safety program described in 23 USC 402 (m) • Not more than 75% for any eligible project/activity under Sec. 402 • <u>FY17 – Up to 100% for any eligible project or activity under Section 402 if the State qualifies under specific performance criteria</u>
<p><u>Nonmotorized Safety</u></p>	<ul style="list-style-type: none"> • <u>Training of law enforcement officials on State laws applicable to pedestrians and bicycle safety</u> • <u>Enforcement mobilizations and campaigns designed to enforce State traffic laws applicable to pedestrians and bicycle safety</u> • <u>Public education and awareness programs designed to inform motorists, pedestrians and bicyclists of State traffic laws applicable to pedestrians and bicycle safety</u>

iv. NHTSA Section 405 Award Determinations and Appeals

After reviewing applications and making award determinations, NHTSA shall, in writing, distribute funds available for obligation to qualifying States and specify any conditions or limitations imposed by law on the use of the funds. Beginning with FY17, NHTSA is required, within 60 days after the date of the Section 405 awards, to make publicly available on the U.S. DOT website an identification of the States awarded grants, the States that applied and were not awarded grants, the States that did not apply for a grant and a list of the deficiencies that made a State ineligible for a grant.

Grant awards are subject to the availability of funds. If there are insufficient funds to award full grant amounts to qualifying States, NHTSA may release interim amounts and release the remainder, up to the State’s proportionate share of available funds, when it becomes available in the fiscal year. See 23 CFR §1200.61. The Section 405 application review is a final decision of the NHTSA Administrator and is not subject to appeal.

I. Performance Report

Within the HSP, the HSO is required to provide a program-area level report on the State's success in meeting its performance targets which were identified in the previous fiscal year's HSP. NHTSA has provided the States with a suggested template for reporting this information. At a minimum the State should provide an update on the previous year's performance measures and targets using the most recent data available. This could be in the form of an update of the performance measures matrix from the previous year.

NOTE: This is NOT the same level of information which is required of the States to provide in the comprehensive Annual Report (AR) under 23 CFR 1200.33. This is a much briefer status report focusing mainly on the prior year's results for the State's Core performance measures.

J. Teen Traffic Safety Program – Appendix C

Colorado allocates funds to Teen Traffic Safety Program for statewide efforts to improve traffic safety for teen drivers. It is optional for the State to elect to incorporate a statewide program as an HSP program area in accordance with Title 23 Section 402 (m). Beginning with FY17 as provided in the FAST Act, there are two new uses of funds allowed for this program. (GDL and Non-Motorized training)

If the State chooses to do so, a description of the strategies and projects it intends to conduct is required to be included in the HSP as well as assurances which must be signed by the GR, that the program meets the statutory requirements. The template provided in Appendix C of Part 1200 is required to be used by the HSO, see [*23 CFR Part 1200 Uniform Procedures for State Highway Safety Programs*](#).

K. Public Outreach

To the extent possible, the State should summarize information that shows an understanding of the major highway safety activities of other agencies and organizations and how the HSO is collaborating with other agencies and partners. One method used by many States to reach their constituency groups is a pre-proposal application conference or meeting.

The HSO strives to prevent the loss of life, personal injury, and property damage caused by traffic crashes and to reduce the resulting economic losses to the residents of the State. The efforts necessary to reach these goals require partnering with public agencies and special interest groups to foster the sense of cooperation vital to accomplishing the mission. This includes:

- Inter-Agency Working Groups: The HSO makes effort to promote inter-agency cooperation relating to highway safety issues using the resources of various State departments and agencies to the best advantage possible.
- Community Coalitions: The HSO encourages the development of community-based coalitions in order to engage citizen involvement in the health and safety of communities.
- Pedestrian, Motorcyclist and Bicycle Safety Groups.

L. Funding and the Program Cost Summary- Appendix B

The U. S. Congress authorizes traffic safety funds to be appropriated to the U.S. DOT, NHTSA. NHTSA apportions and distributes these funds to the States. The States obligate these funds through the annual HSP which is subject to NHTSA review. Any earmarked or special purpose funds shall be used only in that particular program area and cannot be transferred to any other program area. When developing the HSP, new revenue estimates for each funding source are obtained annually from the NHTSA Regional office by the HSO typically in the first quarter of the calendar year for the following fiscal year. This information along with estimated prior year unexpended funds is used to develop the estimated total highway safety funding available for the upcoming fiscal year.

The HSO *Department Managers* are responsible for annually allocating the estimated amount of revenue by program area for the HSP budget based on the information gathered in the problem identification, performance target and strategy processes to assure the greatest potential impact on the State's overall goal of reducing traffic safety related crashes, deaths and injuries. The process for making the budget allocation decision should be documented in the HSP.

Beginning in FY2014, the State annually submits a consolidated application for Section 402 funds and Section 405 funds for the National Priority Safety Program Grant programs. The HSO may also receive penalty transfer funds. Planned funds are subject to revision depending on the actual amount of funding received by the State.

i. Program Cost Summary Form (HS 217) Appendix B

The Program Cost Summary Form (HS 217) or its electronic equivalent is required annually. A template and specific instructions for completing the HS 217 or the electronic equivalent is provided in Appendix B of [23 CFR Part 1200 Uniform Procedures for State Highway Safety Programs](#) and is required to be used by the HSO. The Summary provides the State's proposed allocations of funds (including carry-forward funds) by program area based on the targets and activities identified in the HSP and the projects and activities. The funding level used shall be an estimate of available funding for the upcoming fiscal year.

In addition to the cost information, Appendix B requires other information be provided (State name, number, date and the names and titles of State and Federal authorizing officials). Appendix B is not required to be signed. The HSO has the option of completing a HS Form 217 or its electronic equivalent; the other sections in Appendix B should be provided as part of the complete certification document (HSP).

ii. List of Projects

For each program area the HSO is required to include a list of projects and an estimated amount of Federal funds for each project that the State proposes to conduct for the upcoming fiscal year to meet the identified performance targets. The SHSO ensures the accuracy of the project list by using a cross referencing process between the HSO and CDOT Grant Accounting. All projects identified on the list must be described within the HSP. The HSO may also provide this information as a separate list from the HS 217 even if other information is included as long as the required level of detail is provided and the aggregate of the project level funds matches the total funding in that program area. The CDOT HSO reports at the project level in the Grant Tracking System (GTS), this will satisfy the project list requirement providing the information in GTS meets the requirements of 23 CFR 1200.11, 1200. 15, 1200.32 and 1200.33

iii. Changes and Updates to the HS-217

The HS-217 is required to be resubmitted by the HSO to the NHTSA Regional Office within 30 days of any reallocation of funds between program areas or changes including an updated list of projects under each program area. The amended HS-217 and list of projects is subject to the approval of the NHTSA Regional Office, see 23 CFR Part 1200.32.

Prior to and as a condition of reimbursement, the project list is also required to be **updated** to include identifying project numbers for each project on the list. (This may also be necessary if the project numbers are not available at the time of submitting the HSP for NHTSA approval.)

iv. Highway Safety Improvement Program Funds and Other Funding Sources

Prior to FY17, if the State has shifted Highway Safety Improvement Program (HSIP) funds from the State DOT to the HSO, programs funded with those monies are required to be identified in the HSP. Beginning with FY17, and new obligations of HSIP carryforward beginning on the effective date of the FAST Act, HSIP funds may no longer be used for behavioral safety programs. NOTE: The HSO is also required to identify funding from other sources (Federal, State, local and private sector) for projects that the HSO considers necessary to reach the performance targets identified in the HSP, see 23 CFR 1200.11 (c) (1). This is especially true of State designated funds and major projects where the HSO is directly partnering with agencies to achieve a target included in the HSP. However, it is not necessary for the HSO to search out every activity of that type within the State which may possibly be taking place.

v. Planning and Administration Costs

The tasks and related costs for Planning and Administration (P&A) are required to be included in a P&A program area within the HSP (see NHTSA402.9701). There are definitions of P&A eligible costs, limitations on the federal share of total P&A costs and sources of funds, and, limits on the amount of funds that can be spent on P&A programs. If the State is using HSO indirect costs as P&A match, such costs can only be applied to P&A expenditures. See Chapter IV. Grant Selection and Execution, Section H. Development of Highway Safety Office Internal Grants for additional information.

vi. Automated Traffic Enforcement Systems Prohibition and Survey

The HSO may not expend funds apportioned under Section 402 to carry out a program to purchase, operate or maintain an automated traffic enforcement system with the exception of school zones. The prohibition includes any camera which captures an image of a vehicle for the purposes only of red light and speed enforcement. NOTE: This does not include hand-held radar and other devices operated by law enforcement to make an on-the-scene traffic stop, issue a traffic citation or other enforcement action at the time of the violation. See also Chapter VI. Fiscal Procedures, Section E. Allowable Costs. Beginning with FY17, the FAST Act requires States with automated traffic enforcement systems to use Section 402 funds to conduct a biennial survey that lists the systems in the State, data to measure transparency, accountability and safety, and, a comparison of the systems to U.S. DOT guidelines on Speed Enforcement and Red Light Running.

vii. Motorcycle Checkpoint Funding Prohibition

For FY17 and beyond, the FAST Act prohibits the HSO from expending NHTSA grant funds for any program to check motorcycle helmet usage or to create check points that specifically target motorcycle operators or motorcycle passengers.

viii. Apportionment and Obligation of Federal Funds

The funds distributed are available for expenditure by the State to satisfy the Federal share of expenses under the approved traffic safety program, and shall constitute a contractual obligation of the Federal Government, subject to any conditions or limitations identified in the distributing documentation. Reimbursement of State expenses shall be contingent upon the submission of an updated HS Form 217 (or its electronic equivalent) within 30 days after either the beginning of the fiscal year or the date of the written approval required under 23 CFR 1200.14, whichever is later. The updated electronic HS Form 217 shall reflect the State's allocation of funds made available for expenditure during the fiscal year including known carry forward funds under 23 CFR 1200.15. Vouchers that request reimbursement for projects whose project numbers or amounts claimed do not match the list of projects (submitted by the HSO) or exceed the estimated amount of Federal funds provided under 23 CFR §1200.11 (e), or exceed the allocation of funds to a program area in the HS Form 217 shall be rejected, in whole or in part, until an amended list of projects and/or estimated amount of Federal funds and an amended HS Form 217 is submitted to and approved by the NHTSA Regional Office in accordance with 23 CFR §1200.32.

In the event that authorizations exist but no applicable appropriation act has been enacted by Congress by October 1 of a fiscal year the NHTSA Administrator shall, in writing, distribute a part of the funds authorized under 23 USC Chapter 4 contract authority to ensure program continuity and shall specify any conditions or limitations imposed by law on the use of the funds. Upon appropriation of Section 402 funds, the NHTSA Administrator shall, in writing, promptly adjust the obligation limitation and specify any conditions or limitations imposed by law on the use of the funds. See 23 CFR § 1200.15 (b).

Within the HSO, responsibility for development of the estimated annual HSP budget is assigned to the *Department Managers*. The required HS Form 217 Cost Summary form, list of projects and any necessary revisions are prepared by the *HSO Department managers* for approval by the HSO Administrator and inclusion in the HSP submitted annually to NHTSA.

M. Benefit to Locals

States are required to ensure that at least 40 percent of all (new) Federal funds apportioned under Section 402 for any fiscal year is **expended*** by the political (local) subdivisions of the State, including Indian tribal governments, in carrying out local highway safety programs. A State may request a waiver. These local highway safety programs must be approved by the Governor and operated in accordance with the minimum standards established by the Secretary under Section 402. See [23 USC Chapter 4, Section 402\(b\)](#) and [Appendix E to 23 CFR Part 1200 - Participation by Political Subdivisions](#).

When sub grants are directed to State agencies and local benefit is claimed, the HSO Project Manager shall ensure that local benefit source documentation is readily available on site including evidence of an active local voice in the initiation, development and implementation of the programs. There are exceptions for a political subdivision which has not had an active voice but agrees in advance of implementation to accept or requests the benefits of the program. Evidence of the acceptance or request must be established in writing and maintained on file until all such funds are expended.

When the State proposes to use the salary and benefits of a State employee toward meeting the 40 percent requirement, the State should ensure that the required documentation is in place before any work is carried out and that it evidences that the local government consented and accepted the work of the State employee on its behalf. Refer to the Local Benefit guidance issued by NHTSA on December 1, 2011, for a description of the type of activities that may be considered.

With regard to State expenditures, such as State Highway Patrol/Police enforcement or statewide paid media, the State may designate such expenditures as benefiting local government to meet the 40 percent requirement. The HSO may credit such expenditures only where the political subdivision has had either an active voice, or agreed in advance of implementation to accept the benefits of the program. And, the active voice or pre-agreement must be documented annually in writing from the local government.

***NOTE:** The HSO is required not only to obligate 40 percent of the Section 402 funds to the benefit of locals but must also ensure that the required percentage of funds is actually expended to the benefit of locals. This requires the HSO to periodically monitor local grant expenditure rates during the fiscal year. Each voucher entered into the Federal Grant Tracking System (GTS) shall provide the dollar amount of Federal funds for each program area which was allocated to local benefit at least at mid-year (by March 31) and with the final voucher at fiscal year closeout. If at March 31 the percentage of local benefit reported appears to be significantly low, further research should be done to determine the cause including slow vouchering by subrecipients or an insufficient number or dollar amount of local sub grants. See [Appendix E to 23 CFR Part 1200](#) for more details on the specific requirements.

Use of Transfer Funds for Section 402 Purposes-Benefit to Locals: Colorado does not currently have these funds, however, Section 154 and 164 transfer funds obligated and spent on alcohol-impaired driving countermeasures (not hazard elimination) or directed to State and local law enforcement agencies for the enforcement of impaired driving laws or regulations (154AL and 164AL) take on the characteristics and requirements of the Section 402 program. No matching funds are required for these transfer funds; per Section 154 (c) (4) and Section 164 (b) (4), the Federal share of the project cost shall be 100 percent. However, at least 40 percent of the annual 154AL and 164AL funds must be used by or for the benefit of political (local) subdivisions of the State. Local benefit applies to 157 and 163 Incentive funds if they are used as 402 funds. (Note: BIA local benefit is 95%) See [NHTSA Highway Safety Grant Funding Guidance](#) Part II.A.1 and Appendix A. Section 163 Guidance and Section 154/164 Guidance.

N. Transfer Funds

Section 402 funds are used by the HSO to support projects and activities identified in the HSP as encompassing a major highway safety problem in the State and for which effective countermeasures have been identified. In addition to Section 402 funds, the State may be eligible to receive funds from other Federal transfer program sources. The specific available programs typically change with each Federal reauthorization of the highway safety program. The most recent reauthorization is commonly referred to as MAP-21 (Moving Ahead for Progress in the 21st Century Act). The reauthorization is effective until October 1, 2014. The prior reauthorization was referred to as SAFTEA-LU (Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users) which expired in 2012.

An annual determination is made by the U.S. DOT FHWA regarding the State's inability to enact or enforce specified State traffic safety laws or policies to address a program area as prescribed by the U.S. Congress in the current reauthorization. Information regarding the State's laws and policies is requested by the U.S. DOT to determine the State's eligibility. The State is notified annually through FHWA's Advance Notice of Apportionments (July 1) and FHWA's Final Notice of Apportionments (October 1). Two and one-half percent (2.5) of Federal-aid funds apportioned for the National Highway Performance Plan (NHPP) and Surface Transportation Program (STP) (23 U.S.C. § 104(b) (1) and 23 U.S.C. § 104(b) (2)) are reserved, applied separately for each program, until the State certifies how it will use the reserved funds. The State DOT and the HSO Administrator determine the division of transfer funds and notify the U.S. DOT by letter, known as the "split letter", due 60 days after the funds have been transferred.

The HSO is required to update the HSP, and may also include the funds in the HS-217, to indicate how it intends to use its split of penalty transfer funds, if any, from Section 154 and 164. Alternatively, the HSO may plan ahead knowing that there will be transfer funds in October and include a program plan for these funds in the HSP submission prior to that date.

The Federal P&A share shall not exceed 50 percent of total P&A costs, except for select States using the sliding scale for match (See [NHTSA Order 462-6C Matching Rates for State and Community Highway Safety Program](#)). No match is required for penalty transfer funds (Section 154 or 164 funds) when repurposed for Section 402 programs, for U.S. Territories (23 U.S.C. 120(i)), or for federally recognized Indian Tribal governments (23 USC 402(h)) under the Indian highway safety program. Beginning with FY2014 up to **13** percent of the new Section 154 or 164 funds may be designated for P&A purposes. However, such funds may only be expended for P&A activities which support alcohol-impaired driving projects funded by Section 154 or 164 funds. See [Appendix F to 23 CFR Part 1200 P&A Costs](#).

The HSO and NHTSA are responsible for the oversight of Funds transferred to NHTSA's Section 402 program for alcohol-impaired driving programs under MAP-21. State DOT and FHWA are responsible for the oversight of funds released for HSIP eligible activities under MAP-21. All alcohol-impaired driving funds and Hazard Elimination funds transferred to the Section 402 program under SAFETEA-LU are still the responsibility of the HSO and NHTSA.

For behavior related activities, the use of Section 154 and 164 funds is limited to supporting alcohol impaired driving projects and shall **not** be used to support drug-impairment related projects. States may also use funds for paid media to support alcohol-impaired driving countermeasures or for purchase of equipment and training of officers for enforcement of DWI/DUI/related laws. States may not use penalty transfer funds for general law enforcement, training or equipment purchases.

The most current information regarding the requirements and limitations of the transfer fund programs can be found online in the [NHTSA Highway Safety Grant Management Resources](#)

O. Advertising

The NHTSA "Guidance for States Using Section 402 Funds for Purchasing Advertising for Highway Safety Messages" was updated in May 2013 to provide information on using highway safety funds to purchase advertising for highway safety messages. The Guidance is available in the [NHTSA Highway Safety Program Grant Resources Guide](#) under Federal Regulations for All Grant Programs/Covering Section 402 Program. The HSO has the authority to use funds to purchase advertising in a variety of mediums including television and radio, cinema, internet, print, outdoor (billboard space) and sports marketing for highway safety messages. States are still required to report on the purchase of media with Federal funds and its effectiveness in their Annual Report. NHTSA advocates the use of a sustained high visibility enforcement model that focuses on strategically deploying enforcement and communications resources at targeted times and locations throughout the year based on State problem identification. The objective is to influence and sustain year-round behavioral change while getting higher returns on investment and further improvements in traffic safety.

When a State plans to use funds for this purpose, the HSO shall document in their annual HSP information describing the following:

- (a.) what program/policy the advertising is supporting;
- (b.) how the advertising will be implemented to support an operational enforcement program whether it be a periodic crackdown/mobilization or an on-going saturation or roving patrol;
- (c.) the amount allocated for paid advertising; and
- (d.) the measures that will be used to assess message recognition and penetration of target audience.

If a subrecipient is granted advertising funds the subrecipient should likewise be required to report this information to the State so that the information can be included in their Annual Report.

As with other activities, paid advertising must be part of a comprehensive program designed to address specific highway safety goals identified in the HSO Performance Plan. Advertising should not be a stand-alone program or activity. For example, the communications plan should be preceded by the enforcement plan.

Federal funds are to be used only for certain specified **advertising** and **public relations** costs. See 2 CFR Part 200.421. Federal grant funds are *never* available to cover the costs of **promotional items** and **memorabilia**.

Television public service announcements and advertising created with the aid of Federal funds must contain closed-captioning of the verbal content. See [NHTSA Highway Safety Grant Funding Guidance, Section E. Public Communications](#).

States should obligate funds used for Paid Advertising with the program area code **PM**. See also Chapter V. Grant Administration and Management, Section D. Public Information and Education (PI&E).

Sports Marketing: If the State enters into a sports marketing sponsorship agreement, with a team, stadium or arena, it must further the achievement of the program's performance targets. In conjunction with the purchase of paid advertising, attendance at sporting and entertainment events that charge admission may occur which could be deemed an unallowable cost. See Chapter V, Section D (iii). Public Information and Education (PI&E) for guidance on applicable tests for such expenditures and examples of possible circumstances and their appropriate resolution.

P. Certifications and Assurances- Appendix A

Each fiscal year the HSO signs Certifications and Assurances with the submission of the HSP that the State complies with all applicable Federal statutes, regulations, and directives in effect with respect to the period for which it is receiving grant funding.

A Certification Statement for the Section 402 program, which can be signed only by the State's Governor's Representative for Highway Safety, is required in the HSP. The statement provides assurances that the State will comply with not only with applicable laws and regulations but also financial and programmatic requirements, and the special funding conditions of the programs. The State must use only the exact format and language specified in Appendix A (make no changes in the required language) and include every certification. NOTE: NHTSA will provide an electronic Certification and Assurances document for use by the States. An electronic signature will not be accepted.

The NHTSA Regional office should be consulted annually to assure that the State is using the most current version.

Subrecipient Certifications and Assurances which are included in the HSO application as well in the Award Notification are provided to all grantees and include all Federal regulations for which the HSO has responsibility to ensure that every sub grant and contract (i.e. purchase orders) include any clauses required by Federal statute and Executive Order and their implementing regulations and that the subrecipient or contractor is aware of the requirements imposed upon them. See [2 CFR Part 200.331\(a\)\(2\)](#). (For prior to FY2016, see 49 CFR Part 18.37, 49 CFR Part 18.36).

Under MAP-21 Appendix A of Part 1200 identifies for the HSO the following certifications and assurances that are required to be imposed upon subrecipients. They are:

- Non discrimination
- Buy America Act
- Political Activity (Hatch Act)
- Certification Regarding Federal Lobbying
- Restriction on State Lobbying
- Certification Regarding Debarment and Suspension

Although discouraged, the HSO may alter the language of the Federal certifications and assurances for subrecipients (only) as it is ultimately the State's responsibility to ensure that subrecipients are complying with the terms of the grant. The HSO may at their option require additional subrecipient State certifications and assurances, such as, seat belt use policies or training requirements for law enforcement officers

Failure to comply with applicable Federal statutes, regulations and directives may subject State officials to civil or criminal penalties and/or place the State in a high risk grantee status in accordance with 49 CFR §18.12 prior to FY2015 and for FY2016 and forward see [2 CFR Part 200 Remedies for NonCompliance Part 338 - 342](#) . See Chapter IV. Grant Selection and Execution – Section D (iii). Final Grant Agreement Preparation for additional information.

Q. Three Years Plus One Federal Obligation Restriction

23 CFR Chapter 1, Subchapter I, Part 118(2) states, "Except as otherwise specifically provided, funds apportioned or allocated pursuant to this title (other than for Interstate construction) in a State shall remain available for obligation in that State for a period of 3 years after the last day of the fiscal year for which the funds are authorized. Any amounts so apportioned or allocated that remain unobligated at the end of that period shall lapse."

Section 402 and Section 405 grant funds are authorized for apportionment or allocation each fiscal year. States should, to the fullest extent possible, expend these funds during the fiscal year. When developing the annual HSP funding plan, the HSO must be aware of the limitations placed upon the length of time that the funds are available. Grant funds are available for expenditure for three years after the last day of the fiscal year of apportionment or allocation (referred to as "three years plus one).

NOTE: Beginning with MAP-21, during the last year of availability of funds, NHTSA will notify States of unexpended grant funds subject to this requirement not later than 180 days before the end of the period of availability. The State may then commit the unexpended grant funds to a specific project before the end of the period of the availability. The funds committed to a specific project must then be expended before the end of the succeeding fiscal year and only on that project. At the end of that time period, unexpended grant funds will **lapse** and NHTSA will **deobligate** unexpended balances, see 23 CFR Part 1200.41.

R. Fund Liquidation

The HSO shall promptly obligate and expend Federal highway safety grant funds and track fund liquidation including transfer and incentive funds by funding year and source. The oldest funds should be expended first whenever possible.

The HSO Department Managers shall be responsible for periodically examining the current liquidation of each funding source by year, looking back at least five years, and shall promptly notify the HSO Administrator of any unreasonably large amounts of unliquidated funds. This examination shall include a prompt review of the GTS Grant Fund Balances Report (#7) and other reports and reconciliation of all categories with the HSO records. The HSO shall monitor closely the spending rates of all subrecipients and make periodic projections to assure the prompt start of projects and determine if there are impediments to full expenditure of funds by the project end. The HSO shall deobligate unspent funds in a timely manner to allow carryover into the next fiscal year.

The HSO shall document the specific rationale and anticipated timeframe for expenditure of any Federal funds which are not going to be promptly obligated. The HSO shall proactively bring any issues regarding unliquidated Federal transfer funds under SAFETEA-LU split by the HSO and the State Department of Transportation (DOT) for Hazard Elimination purposes to the responsible party at the State DOT. Where applicable, the HSO should ensure timeliness in contracting with the DOT and vouchering of funds through GTS. The HSO and NHTSA are only responsible for spending oversight for the funds shifted to the HSO.

See also section Q. Three Years Plus One Federal Obligation Restriction above.

S. Delegation of Authority

NHTSA regulations require a formalized process be established by the State as to who can act on behalf of the HSO Administrator in his or her absence. The HSO is required to establish a written Delegation of Authority.

The following table lists signature authority related to the HSO traffic safety grant program.

Table 5. Delegation of Signature Authority

Document	Signature Authority
Highway Safety Plan	<i>Approved by the CDOT Executive Director or designee Director Highway Safety Office Submitted by the HSO Administrator</i>
Certifications and Assurances of the Highway Safety Plan Appendix A	<i>Governor's Representative or designee CDOT Executive Director or designee Director Highway Safety Office</i>
Highway Safety Program Cost Summary Appendix B	<i>HSO Administrator Director Highway Safety Office</i>
Federal Cooperative Agreements	<i>HSO Administrator Director Highway Safety Office</i>
Assurance for Teen Traffic Safety Program Appendix C	<i>Governor's Representative or designee CDOT Executive Director or designee Director Highway Safety Office</i>
Certifications and Assurances for National Priority Safety Program Grants (Section 405) Appendix D	<i>Governor's Representative or designee CDOT Executive Director or designee Director Highway Safety Office</i>
National Highway Traffic Safety Administration Agreements	<i>HSO Administrator Director Highway Safety Office</i>
Federal Grant Applications	<i>HSO Administrator Director Highway Safety Office</i>
Internal HSO Planning and Administration, and, Program Management grants	<i>Program Manager</i>
Reimbursable Service Agreements	<i>HSO Administrator Director of Highway Safety Office</i>

Traffic Safety Program Grant Agreements and Amendments (any amount)	<i>HSO Administrator Director of Highway Safety Office</i>
State Vouchers for Federal Reimbursement	<i>Grant Accountant</i>
Requests to NHTSA to purchase equipment (\$5,000 or more) with Federal funds	<i>HSO Program Manager(s)</i>

In the absence of the HSO Administrator, HSO signature authority is delegated to the following individuals in the order noted:

- 1. Carol Gould – HSO Program Manager***
- 2. Glenn Davis – HSO Program Manager***

The NHTSA Regional Office shall be notified in writing of the name and type of authorization and provided with the signature of each person currently assigned signature authority on behalf of the HSO. Whenever a temporary or permanent change occurs in the authorization assignment or the person assigned to the named authorized position, the NHTSA Regional Office shall immediately be notified in writing and provided the new information.

T. Federal Spending Transparency

The SHSO is required to report certain information to the National Highway Traffic Administration (NHTSA) as mandated in the Federal Funding Accountability and Transparency Act (FFATA) and subsequent Office of Management and Budget (OMB) guidance. This information is then made available to the public at the www.USAspending.gov web site.

Prime awardees (the SHSO and the Bureau of Indian Affairs) of Federal grants of \$25,000 or higher that are awarded **on or after October 1, 2010**, are responsible for reporting. The FFATA sub award Reporting System (FSRS) is the reporting tool SHSOs use to capture and report sub award data and/or sub awardee executive compensation data, see www.fsr.gov.

The Project Manager is responsible to ensure that all grantees are compliant with FFATA requirements and the PCA is responsible for compilation of the FFATA level awardees information and forwarding to the CDOT grant accountant who enters the details into the FSRS system. All required documentation is required from the grantee at the time of application and the FFATA database will be sent to Accounting within 30 days of the award.

Prime awardees (the HSOs and BIA) must:

- obtain a DUNS number from Dun & Bradstreet at <http://fedgov.dnb.com/webform> or call 1 866 705-5711;
- Register in the System for Award Management (SAM) at www.SAM.gov);
- Register in FSRS.

Sub awardees must obtain a DUNS number from Dun and Bradstreet. Subrecipients are required to be registered in SAM. When they do register, the information will transfer to and pre populate the FSRS web site. In addition, the HSO is required to collect the names and total compensation of the five most highly compensated officers of the sub awardee agency if, in the preceding year, the agency: Exception if the entity is a public entity and the salary information is public information – Example a state college president, or State Patrol Chief.

- received 80% or more of its annual gross revenues from Federal awards; AND,
- \$25 million or more in annual gross revenues from Federal awards; AND,
- if the public does not have access to this information from reports filed under section 13(a) or 15(d) of the Securities Exchange act of 1934 or section 6104 of the Internal Revenue Code of 1986.

For each sub award, the following should be entered into the FSRS web site:

- Sub award amount
- Date of the award (date the grant agreement is signed)
- Project description (grant title)
- Primary place of performance
- Sub award number
- Executive Compensation answers

The following guidance documents are available on the GHSA web site at, Planning and Management Tools, Transparency Regulations: [Transparency Act-101](#), [OMB Guidance on Sub Award and Executive Compensation Data Reporting](#), and [NHTSA's Draft Guidance Paper for Regions and States](#).

NOTE: HSOs should be aware that it is important to use the correct DUNS numbers and for the HSO to be actively registered in the CCR for the system to properly work.

U. Buy America Act

This section provides information and guidance regarding the Federal requirements that the HSO use highway safety grant funds to purchase only products manufactured or assembled in the United States.

Under MAP-21 Appendix A of Part 1200 identifies for the HSO all of the certifications and assurances that are required, see Chapter II-Planning, subsection P. Certifications and Assurances. One of the required certifications is compliance with the Buy America Act, 23 U.S.C. Section 313. The Act prohibits States from using highway grant funds under 23 U.S.C. Chapter 4 to purchase products unless they are produced in the United States. The prohibition applies to steel, iron and all manufactured products unless a waiver has been requested from the Secretary of Transportation. The Secretary may waive the requirement if: it would be inconsistent with the public interest; the products are not produced in the United States in sufficient and reasonably available quantities and of satisfactory quality; or, use of the products produced in the United States would increase the overall cost by more than 25 percent. NHTSA has determined that for compliance purposes American-made covers any product that is manufactured **OR assembled** in the United States. This requirement applies to all items purchased with Federal funds including office supplies. There are no waivers for classes of items. The waiver process generally takes 60 days. The waiver goes into effect at the time of its publication in the Federal Register. The waiver determination will state if the waiver applies only to the requestor or to others wishing to purchase the same item. The duration of the waiver will be stated in the Federal Register publication.

A public interest waiver issued by NHTSA became effective July 30, 2015. The waiver allows States to purchase any manufactured product with a purchase price of \$5,000 or less, excluding a motor vehicle defined in 49 USC 30102(a)(6), when the product is purchased using Federal grant funds administered under Chapter 4 of Title 23 of the U.S. Code. The purchase of foreign-made cars, motorcycles, trailers and other similar conveyances must be made with using a waiver regardless of price. Effective July 30, 2015, any pending waiver requests for an item with a purchase price of \$5,000 or less were no longer necessary.

NHTSA has issued Guidance dated January 23, 2014, which details the waiver criteria and the process for submitting a written waiver request to the applicable NHTSA Regional Administrator, see [NHTSA Highway Safety Grant Management Resources](#). NHTSA and GHSA conducted a webinar on January 29, 2014, "NHTSA Highway Safety Grant Program Updated GHSA-NHTSA Webinar" which included additional information on the Buy America Act requirements and the waiver process, see the GHSA website/Members Only/Webinar for a complete copy of the presentation.

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III. Project Development

A. Overview

In alignment with the problem identification, performance targets and key strategies identified in the annual Highway Safety Plan (HSP), the HSO solicits proposals and awards grants to fund three-year projects designed to reduce the number of deaths and serious injuries resulting from traffic crashes.

Traffic safety projects are initiated as a result of several types of “needs” including:

- Statewide and local problem identification
- State agency initiative
- Community initiative
- Key events

The development of final grant agreements is a two-step process. Proposed grant applications are first submitted to the HSO by potential subrecipients following a prescribed process and deadlines. For successful applicants, the proposal form then becomes the grant application and final grant agreement. This chapter describes the proposal process.

Proposed grant applications must include the most current data available to identify a traffic safety problem, must offer a scope of work that creates a workable solution linked to the identified problem, performance targets, detailed action plans, including SMART (specific, measurable, attainable and time specific) goals along with a budget that demonstrate an understanding of the various issues to be resolved and a reasonable approach to resolving the identified problem. Proposed projects must be data driven and the HSO must be able to show that the strategies chosen are evidence-based and can be evaluated.

When the application is reviewed and rated by a team of Subject Matter Experts (SME) the three-year award notification will be sent to the subrecipient. Funding is awarded for the first year and subsequent year's funding is contingent upon PROVEN success of the first year's program, a second year scope of work with the same requirements as the original application, and a second year budget. The continuation application is reviewed and approved or denied by the HSO staff. Third year application and award have the same requirement as year two. The HSO final grant agreement is a legally binding document when fully executed by both parties. It has as companion documents, such as terms and conditions, detailed project descriptions, the approved budget, and certain required certifications and assurances.

RESOURCES: [Partnering with Highway Safety Offices: Tips and Tactics for Success](#)

B. Request for Proposal

The HSO develops an RFP every three years for use by interested applicants. The HSO RFP contains the information needed by applicants to submit a proposed grant application. If funding is available and the Problem I.D. brings to light new or different target areas, a limited RFP may be offered in the interim years of the three year funding cycle.

In the event it becomes necessary to change or revise any part of the HSO RFP, those changes or revisions will be posted on the HSO web site and notice given to prior recipients. No changes or revisions will be made after both parties have signed a final grant agreement.

All proposals remain confidential until the grant agreement is signed by the Program Manager and the applicant. After both parties have signed, the grant agreements are public records as defined in the State's "Public Records Act".

The responsibility for compiling the necessary information to revise and finalize the RFP is assigned to the *HSO Department Managers*. The RFP is posted on the HSO web site.

C. Project Director's Manual

The Project Director's Manual is suggested to establish program and grant management procedures and provide guidance to subrecipients for the development and administration of grant agreements. CDOT HSO as determined that all relevant information for the development of an application, the rating and awarding process, and etc. are included in the application documentation on the HSO web site. This Project Director's Manual is being developed as a reference not only for the HSO but for grantees as well.

- Grant application
- Key elements of the grant application
- Grant review and approval process
- Progress report forms
- Reimbursement voucher forms (invoices)
- Grant revision instructions
- Equipment record requirements
- Subrecipient certifications and assurances
- Applicable Federal regulations and any recent revisions
- Timelines
- Other information

Revisions are made as soon as possible to accommodate any changes in State or Federal laws or regulations. Periodic training may be provided for HSO staff when revisions are made to this manual and/or the application guidelines.

D. Grant Development Calendar

The HSO highway safety grant application process is comprised of three steps.

During the month of *February or March*, grant application solicitation notices containing the issues to be addressed including identified problems and goals are sent (and published on the HSO web site) by the HSO to public and private agencies who will best be able to help attain the HSO goals.

Potential subrecipients are asked to submit to the HSO a three-year grant application form containing a problem statement, a description of proposed activities and a complete budget. It is emphasized that to be funded, projects must have a direct link to the HSO identified problems and targets.

The HSO *program manager with a team of SMEs* reviews each application to verify that it does address the identified problems and meets all of the application requirements, and, reviews the budget component of each of the proposals. If necessary, the *program manager* works with the potential subrecipient to resolve any questions and develop a fully detailed and complete proposed grant application prior to the Grant Review SME Team referral. The Grant Review Team scores the proposals. The HSO *Program Manager* resolves any remaining questions. The HSO Staff then makes the final grant selection determination and approval.

NOTE: The HSO will identify project proposals which require priority handling in order to ensure an October 1 startup date. Most grants should have an October 1 start date.

Table 6. Grant Development Calendar

Month	Activity
Mid February	Post RFP on HSO web site
March-April	Receive and review proposed grant applications, action plans and contact applicants for clarification or missing information
May - June	Develop HSO in-house grants Invite HSO Grant Advisory Review Team to review proposed grant applications Notify successful applicants
July 1	Submit HSP to the National Highway Traffic Safety Administration (NHTSA) Regional Office <u>via the required transmission method</u>
August 1	Review Problem ID document to identify overrepresented areas which may be lacking NHTSA Safety programs and schedule outreach to solicit safety partners
August 15	Complete new fiscal year SAP task creation, creation of grant spend status for review by the Project Managers, ensure timely closeout of current year grants. <u>Schedule and complete pre-work and risk assessment</u> Submit HSO in-house grants for Department approval
September 1	Finalize grant agreements, complete monitoring site visits schedule Issue Notice to Proceed along with award notification to selected subrecipients
October 1	Implement grant agreements

E. Grant Proposal Preparation Process

Proposed grant projects must support the targets and strategies established for the emphasis program areas in the HSO HSP. Grant projects make it possible to *implement* the HSP.

The purposes for developing proposed grant applications are to:

- Produce a clearly defined problem statement
- Produce a clearly specified work statement
- Clearly define targets, objectives and performance measures
- Clearly define respective roles and responsibilities
- Achieve understanding among all parties
- Reach consensus
- Ensure accountability

The key elements of a proposed grant application are:

- Problem identification
- Objectives and Targets (applicable targets are listed in the HSP)
- Performance measures
- Tasks and activities
- Milestones or action plan
- Training needs
- Evaluation plan
- Budget
- Reporting requirements
- Financial planning
- Subrecipient certifications and assurances (general and special terms and conditions)

The proposed grant application development process begins with the submission of proposals to the HSO by applicants.

Section 1 of the grant application is the Authorization cover page which requires the applicant to identify the primary emphasis area described by their proposal and provide their agency name, address and authorizing official signature.

Section 2 is the Description of Activity which describes five elements in narrative form:

1. Problem identification
2. Objectives and Targets
3. Activities
4. Evaluation
5. Agency qualifications

Proposed grant applications should include the most current data available to identify a traffic safety problem, a workable solution linked to the identified problem, a performance target and detailed action plans and budgets that demonstrate an understanding of the various issues to be resolved and a reasonable approach to resolving the identified problem.

Proposals must pertain directly to the HSO problem identification results which are provided in the current year's HSO RFP. The HSO review of proposed grant applications will be conducted on the basis of

the issues identified including problem identification, the reasonableness of the problem solution, and other factors pertinent to the resolution of the identified problem.

Section 3 of the proposed grant application contains information and instructions for the Required Proposal Contents. Additional guidance is provided in the HSO RFP on reporting and invoicing requirements, funding (allowable and unallowable costs), lobbying restrictions and subrecipient certifications and assurances (See Chapter II. Planning, Section P. Certifications and Assurances)

Section 4 of the proposed grant application contains the financial or budget needed to complete the program. The budget will include monthly salary for agency staff paid monthly and hourly rates for other employees and any sub-contractors. The estimated cost for these support staff will be planned and budgeted by estimated hours worked times the hourly rate all work performed for the grant.

i. Time Period

The grant period is the time during which the subrecipient may incur reimbursable costs to carry out the project. The grant period should be long enough to allow the project to be completed. The typical time period is October 1 through September 30.

The HSO issues three year grant agreements. Agencies are required to resubmit annually for continued funding of the multiple year proposal.

ii. Problem Identification

The problem identification section of each proposed grant application should include a problem statement which is supported by specific crash data analysis, program and community needs assessment information or other relevant data. The HSO may assist potential applicants with obtaining the necessary data.

Applicants should review the key funding priorities and problem areas identified and included in the HSO RFP for the upcoming grant year. All proposed grant applications must support the primary target of reducing the number of injuries and deaths resulting from traffic crashes. The problem identification section must focus on one or more of the primary or secondary targets and emphasis areas described in the HSO Problem Identification Report.

The problem identification section is a key element of the final grant agreement. Additional guidance for preparation of the problem identification statement can be found in Chapter II. Planning, Section E. Identification of State and Local Problems (Data Analysis Procedure) and should be referenced by applicants and HSO staff.

iii. Agency Qualifications

The HSO must determine if the applicant agency is qualified to receive Federal highway safety grant funds and is the appropriate agency to conduct the proposed project activity based on past experience, education, skills and/or community or statewide leadership authority. The applicant must provide information in the proposed grant application regarding the agency's background, such as, prior funds managed, relevant project experience, etc. This is especially important if the HSO has no past experience working with the applicant.

In the current three-year funding process, the qualifications are submitted with the year one application, are included in the RISK assessment which is completed on each applicant by the project manager (PM) prior to approval of the application but these qualifications are not required in the consecutive two years

of continuation funding, however an annual risk assessment will be completed by the PM to include proven success of the prior year program and acknowledge any issues encountered during the most recent program year.

Eligible agencies must be able to perform the following:

- Deliver program activities promptly
- Manage public funds efficiently and provide good internal controls
- Collaborate with other community, governmental and private organizations
- Develop data-driven problem solving plans to enable adequate evaluate of success
- Proven program success in previous funding years
- Meet all Federal requirements – DUNS#, SAM.gov registration, and etc.

iv. Project Objectives and Targets

Proposed grant applications must address one or more of the HSO primary or secondary targets stated in the HSO RFP in order to receive consideration. The project objectives stated in the proposed grant application's Description of Activity should clearly state the ultimate outcome the applicant hopes to accomplish and in measurable terms. For example, "increase enforcement of DWI laws as measured by...", or, "reduce the incidence of incorrect use of child restraints as measured by..."

A guideline called the SMART principle to assess performance targets is recommended. SMART stands for:

- Specific
- Measurable
- Action-oriented/Attainable
- Realistic
- Time-framed

It is generally preferred that targets be based on outcomes (i.e. seat belt use rate) rather than be output or activity based (i.e. number of tickets written). Depending on the exact nature of the funded activity, in some cases a combination of outcome and output based targets or just output targets may be most appropriate.

v. Project Activities

Activities must be identified in the proposed grant application and must clearly explain, in detail, the anticipated activities for which funding is requested. This explanation should show a logical sequence of events that will take place to accomplish the objective and achieve the HSO's performance target(s). The proposed activity must be an evidence-based countermeasure. In selecting the strategies and projects, the sub grantee should be guided by the data and data analysis supporting the effectiveness of the proposed countermeasures. Innovative countermeasures that may not be scientifically proven to work but that contain promise based on limited practical applications are encouraged when a clear data-driven safety need has been identified. Justification of new countermeasures can also be based on the prior success of specific elements from other effective countermeasures.

In selecting countermeasure activities, the project proposal should clearly identify both the target audience and the target area, see Table 7. Target Audiences and Target Areas.

Table 7. Target Audiences and Target Areas

Target Audiences:	Target Areas:
<ul style="list-style-type: none"> • Impaired drivers 	<ul style="list-style-type: none"> • A specific segment of roadway during night time, on weekends, or during daylight hours
<ul style="list-style-type: none"> • Speeding motorists 	<ul style="list-style-type: none"> • Northeast quadrant of city
<ul style="list-style-type: none"> • Unbuckled vehicle occupants 	<ul style="list-style-type: none"> • Jurisdiction wide during daylight hours

The selected countermeasures must relate directly to the proposal's project objectives and to the performance targets and emphasis areas provided in the HSO RFP.

See also Chapter II. Planning, Section F. Key Program Areas, Targets and Strategies for countermeasure development resources.

vi. Performance Measures/Evaluation

Performance measures are required to be clearly defined in each project proposal in the description of activity of the proposed grant application. Although not required, activities and funding should be directly related to the HSO performance measures and targets in the annual HSP which were established through data analysis and problem identification. Subrecipients must detail how they will evaluate and measure the effectiveness of their project toward achieving its targets. Evaluation should be expressed in terms of what they intend to measure (numbers, attitudes, knowledge, etc.), what they plan to accomplish, or a measure of what will change. These measures and standards provide guidelines to determine the efficiency and effectiveness of the grant. Performance measures must be negotiated and acceptable to all grant personnel. A well thought-out project evaluation process is critical.

Performance measures may be shown as specific requirements, for example:

- By (Date) "Improve seat belt usage by X percentage points from (number) to (number) "
- By (Date)"Increase child restraint usage by X percentage points from (number) to (number)"

For some types of projects, however, the work unit must be specific, for example:

- "Submit one report"
- "Produce one public service announcement"

Additional guidance for preparation of performance measures can be found in Chapter II. Planning, Section G. Performance Measures and should be referenced by applicants and HSO staff.

Evaluation brings the traffic safety process full circle as the results help the HSO determine whether any of the preceding steps need adjustment. For this reason, evaluation is an ongoing process in the management of the State's traffic safety program. To validly evaluate a project, performance measures must have been identified ahead of time as they will comprise the basis for the evaluation design. Evaluation allows all involved to:

- Assess project or program effectiveness
- Improve countermeasures
- Allocate scarce resources more efficiently

The following should be considered by the HSO when considering evaluation:

- Require all grants and contracts contain an evaluation component
- Select scientific evaluation vs. process evaluation (size of project, type of activity)

- Select evaluator, objectives and grant length
- Determine baseline and timing of data collection
- Develop an overall program evaluation process to assess long-term impact

The HSO will review and analyze the quarterly grant progress reports and evaluation reports and interpret analysis results to determine the appropriate application of the information within the program.

The results of the evaluation can be used to:

- Summarize findings for distribution to appropriate persons and organizations i.e. web site publication
- Incorporate results into future program planning
- Publish, distribute and encourage use of the HSO Annual Report
- Present information to the media and elected officials

vii. Budget

The *Project Manager* and the applicant negotiate the content of the budget during grant development. The proposed budget eventually becomes incorporated into the final grant agreement. This section explains some of the considerations and requirements involved in preparing the budget.

HSO RFP provides applicants with a Budget Summary form which must be completed and submitted with the proposed grant application. A detailed cost breakdown must be negotiated to justify proposed costs. The approved project budget should be as detailed as appropriate for fiscal control.

The HSO Budget Summary form includes the following line items:

1. Salaries and Wages
2. Fringe Benefits
3. Operational costs
4. Travel and Subsistence
5. Contractual Services (see section viii below)
6. Equipment (each individual piece of equipment valued at \$5,000 or more must be identified)
7. Other and Indirect Costs

For each line item, the applicant is required to identify both the HSO Share requested and the Applicant Matching Share (if applicable). Local or applicant resources used and in-kind contributions such as personnel costs, etc., should be itemized and added in the total budget.

The method of payment is reimbursement only, within the constraints of Federal or State guidelines. No reimbursement is allowed before work has been performed or costs have been incurred.

The following deviations by the subrecipient from the approved budget require the PRIOR approval of the HSO: The Grant Revision Request must be completed and submitted to the PM PRIOR to making any purchase or change. A Grant Revision form should be requested from the PM for any changes requiring pre approval.

- a. A specific item of cost not included in the approved budget.
- b. An increase in the number of a specific item over and above the total authorized.
- c. A transfer between major budget categories in excess of a total of 10 percent of the category being increased. (For transfers of less than a total of 10 percent of the category being increased, an email notification describing the action being taken shall be sent to the HSO by the subrecipient.)

Costs incurred before the grant agreement is signed by the HSO are not eligible for reimbursement. Costs incurred after the grant agreement expires are also not eligible for reimbursement.

Subrecipients may be reimbursed on the basis of actual cost, cost per unit, specific rates, fixed costs, or a combination of these methods. Explanations of the methods of payment follow. Note only reimbursement is available on NHTSA highway safety grants.

Actual Cost: This is the only reimbursement method available under the CDOT HSO grants

Actual cost agreements authorize the HSO to reimburse the subrecipient for all costs incurred under the project, subject to cost principles included in 2 CFR Part 225 prior to FY2016, [2 CFR Part 200, Subpart E](#) for FY2016 and forward. This is the most common type of agreement.

Traffic safety grants are limited to the amounts and items authorized in the budget. Adjustments between cost categories within the budget are allowed with prior written approval from the HSO.

Cost Per Unit of Work: Some agreements are reimbursed on the basis of units of work performed. This method of payment uses a negotiated per-unit cost, with each component documented and approved in a detailed cost proposal. This method of payment eliminates the need to document each element included in the subrecipient invoice, requiring instead that the *performance* of work be documented. However, the negotiated rate must be based on documented actual costs and experience in performing the prescribed task. **EXAMPLES:** \$100 per person trained *or* \$40 per car seat distributed.

Specific Rates: Grants may authorize payment on the basis of specific rates. This method uses a composite of all or selected costs. **EXAMPLES:** Salary:\$50/hour, Travel/per diem:\$85/day, \$0.55/ mile

Fixed Cost: The grant may authorize payment of an agreed upon fixed amount not subject to modification. Payments are made periodically at agreed upon intervals or once, upon completion of the project. If this method is used, there must be a detailed and thorough cost analysis made during the negotiating process.

Overtime Rate: The majority of grants involving increased enforcement of traffic laws rely on the payment of overtime hours for patrol officers. The overtime pay rate for officers is based on actual cost per employee in accordance with the subrecipient's policy for payroll and salary rate. When a project includes overtime salary or wages, traffic safety funds can pay for the additional cost of fringe benefits directly associated with the overtime hours not covered by the employee's basic benefit package (an example of an eligible fringe benefit cost associated with overtime would be an employer's contribution to a retirement plan). The costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, employee agreement, or an established policy.

Allowable Costs: Reference should be made to Chapter VI. Fiscal Procedures, Section E. Allowable Costs for discussion of subrecipient allowable costs. See Appendix E – allowable costs

Proportionate Funding for Equipment: For all activities and equipment to be funded, which have components both related and unrelated to a highway safety grant, the Federal share shall be based proportionately on the projected utilization for the National Highway Traffic Safety Administration's (NHTSA) grant purposes. For example, the NHTSA participation in the cost of Gas Chromatograph Mass Spectrometers for quantitative testing of drug evidential samples shall be on a pro rata basis. If a police department plans to use this equipment 20 percent of the time to identify drugged driving evidence and 80 percent of the time to identify evidence for the narcotics squad, the NHTSA participation must not exceed 20 percent of the total cost of the equipment. See [NHTSA Highway Safety Grant Funding Guidance Part II.E](#). See also Chapter VI Fiscal Procedures, Section E. Allowable Costs.

viii. Contractual Services

Contractual services are services of individual consultants or consulting firms engaged in performing special services pertinent to traffic safety. All subrecipients awarding subcontracts shall comply with the terms and conditions of 49 CFR Part 18.36 Procurement prior to FY2016, and [2 CFR Part 200.317 & 200.318](#) for FY2016 and forward. The HSO shall monitor periodically all subrecipient contracts and professional service agreements to verify compliance with the established State and/or local procurement procedures. Subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. The non-Federal entity may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of: (i) The actual cost of materials; and (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. (2) Since this formula generates an open-ended contract price, a time-and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, or disputes.

A subrecipient shall not enter into any subcontract without prior written concurrence by the HSO. The costs of such services are identified under the category of “contractual services” in the Budget Summary of the grant application and will be budgeted and billed at an hourly rate. Subcontracts shall contain all required provisions of the subrecipient’s grant agreement terms and conditions. No subcontract will relieve the subrecipient of its responsibilities under the grant agreement. Subcontracts can be between governmental agencies as well as with non-government entities for professional services. A copy of all sub-contracts are required documentation in the grant file and must be referenced for all payments to the sub-contractor. Each primary grantee that chooses to sub-contract sections of their program will be required to submit their monitoring efforts each month along with their PAR. The monitoring effort can be observations, participation in events, review of documentation or surveys, meeting minutes, and other hands-on review of contractor activities.

Per the NHTSA’s [Highway Safety Grant Funding Guidance](#) : “Costs are allowable for highway safety consultant services from universities, public agencies, non-government organizations and individuals for State or local highway safety support services or products consistent with the applicable Cost Principles, provided applicable State procurement procedures are followed.” It is recommended that the State’s official contract and procurement manual be maintained in the State’s Highway Safety Office.

ix. Travel and Subsistence

Travel that is preapproved, included in the budget, and directly related to traffic safety and linked to the grant objective(s) is allowable at prevailing State rates and subject to State travel regulations provided the expenses are for specific services benefiting the HSO’s highway safety program, see [NHTSA Highway Safety Grant Funding Guidance Part III.B](#) and for FY16 and beyond [2 CFR Part 200.474](#).

The Department’s reimbursement for airfare, car rental, per diem, and other travel costs will be based on the subrecipient’s travel policy, but reimbursement of travel costs cannot exceed established State rates, unless negotiated in the grant agreement. See Chapter V. Grant Administration and Management, Section

H. Subrecipient Travel. For CDOT purposes, travel includes overnight stay. Mileage is operational expense.

x. Grant Extensions

If both the HSO and the subrecipient agree that the project has demonstrated great merit and has potential long-range benefit, or if the project scope is modified or expanded, the subrecipient may apply for continued funding assistance. Although not mandatory, a general rule is to limit grant projects to not more than three years. Any project being considered for extension beyond three years should be reviewed for exceptional project performance and:

- Include revisions or expansions to the scope of the project (assuming that the subrecipient will continue the portion of the project previously supported with Federal funds)
- Document a continued need for the project
- Receive specific approval from the HSO Administrator

Like any grant agreement, multi-year projects may be stopped or cancelled for cause or convenience, including termination for poor or non-performance. A letter to the subrecipient is required if funds are *not* available to continue the project.

xi. Subrecipient Matching Funds

Currently Colorado does not require any match to be provided by subrecipients but instead provide the required Federal matching funds by directly soliciting match from State and local agencies in a consolidated manner. This is subject to change if/when circumstances change.

See Chapter IV. Grant Selection and Execution, Section H. Development of Highway Safety Office Internal Grants, and, Chapter VI. Fiscal Procedures, Section C. Matching Funds.

F. State Agency Grant Agreements

The HSO makes no change in application requirements for other State agencies and administers all IGA agreements of the State for executing grant agreements and providing reimbursements between the HSO and other State agencies in accordance with the Colorado Procurement and Fiscal rules.

See also Chapter V, Grant Administration and Management, Section I. Indirect Cost and Section N. Monitoring.

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Grant Selection and Execution

A. Proposed Grant Application Submission Process

Traffic safety grant selection procedures that fully comply with the State and Federal regulations are published and used by the HSO. Only grant applications that address the traffic safety issues identified through the annual Highway Safety Plan (HSP) problem identification process shall be accepted. The grant selection procedure shall be reviewed and updated annually. A Request for Proposal (RFP) package shall be posted by the HSO on the web site to ensure adequate and uniform notice to all prospective subrecipients of the prescribed requirements and deadlines.

The following agencies/organizations are eligible to submit applications for HSO traffic safety grants:

- The CDOT Office of Transportation Safety (OTS) is offering grants to agencies, organizations, and tribal governments within the State of Colorado that provide programs, projects, services, and strategies that are intended to reduce the number of deaths and serious injuries resulting from traffic crashes on Colorado roads. Priority funding is given for projects that address key traffic safety issues in our state, including impaired driving and occupant protection.

Applicants are directed to the HSO RFP for the current grant year which is available on the OTS web site for a complete set of submission instructions and for the application form. The HSO RFP contains the deadlines for submission. In lieu of a pre-proposal conference, applicants are asked to address questions to the HSO Department Manager by mail, telephone, fax or email.

Proposal Submission Instructions:

1. Only one copy of the proposed grant application should be submitted and it is preferred that the application be submitted by email. A hard copy of the application with original signatures must also be mailed to the HSO or faxed (if faxed, a hard copy of the application with original signatures must be mailed to the HSO).
2. Late applications will not be accepted.
3. Mailed or faxed applications received by the HSO will be directed to the *Department Manager for distribution to the proper project manager*
4. Applicants mailing applications will be instructed to allow normal mail delivery time to insure timely receipt. Applicants assume the risk of non-delivery or late arrival associated with the method of delivery selected. The HSO assumes no responsibility for delays caused by external delivery systems.
5. The HSO will notify applicants by email of receipt of their applications within five days of receipt.
6. Applicants who do not receive a notice within ten days of submitting their application must contact the HSO to confirm that their application has arrived at the HSO if their application is to be considered for selection.
7. All applications must include all applicable documents including documentation of good standing, Proof of Insurance, DUNS#, CCR registration (SAM.gov) Local Benefit and Program Income letter.

If a single applicant is requesting a grant under multiple Federal program funding sections/sources, then the applicant must submit separate applications to the HSO for each program and identify specific dollar amounts for each funding section/source.

B. Grant Application/Distribution Log

The HSO Grant Distribution Log form (an HSO Excel spreadsheet) is created to track the receipt and handling of all proposed grant applications received by the HSO annually. The purpose of the log is to assure that all required actions are completed and in a timely manner. The content of the log will include the agency, program name, funding request, contact name and CDOT- HSO program manager.

The HSO *OTS Administrative Assistant* is responsible for making the initial entries the HSO Department Manager periodically updating the HSO Grant Distribution Log to reflect the current status of the applications.

All applications will be saved by the Project Manager on the OTS shared drive under the correct fiscal year's folder in the grant solicitation folder and properly filed under the correct program area example: impaired or occupant protection, etc.

C. Grant Selection Process

i. HSO Initial Review

Proposed grant applications are first reviewed internally by the HSO project manager and then by the *grant review team* to:

- Ensure that the application meets the required criteria
- Review budget for allowably, appropriateness, and available resources
- Compare the application with current activities
- Determine whether the proposed grant activity will impact traffic safety, will work towards established targets by ensuring that the problem is adequately described, and that objectives, activities, performance measures, and resources requested are measurable and will address the problem
- Determine that the potential subrecipient is able to perform the activities

See Chapter III. Project Development, Section D. Grant Development Calendar for applicable timelines.

A Grant Review Form will be completed by HSO reviewing staff to record all comments, questions and additional information obtained from the applicant. After the first review of each proposed grant application within the HSO, the *Program Manager* will request any additional information needed by contacting the applicant or others as necessary and recording their responses on the Grant Review Form. When completed the *Project Manager* will print the Grant Review Form and circulate it to the *Department Program Manager* for review and confirmation that all pending issues have been addressed. The proposal will then be forwarded, using the prescribed HSO process, to the Grant Review Team for consideration.

The determination of whether the application has the potential to impact traffic safety goals will be based on its ability to implement evidence-based strategies, show a commitment to sustain and contribute to success, have measurable outcomes and address the greatest demonstrable need/problem. Proposals

that target high-risk populations, high-risk behaviors and high crash locations will receive additional consideration. The proposed strategy must be either an evidence-based strategy supported by research, or, a demonstration project if a clear data-driven safety need has been identified or the project is supported with a strong evaluation plan that will allow the HSO to assess the effectiveness of the activity at its conclusion.

Following are some guiding questions for HSO staff conducting a technical analysis of a proposed grant application: See also the Grant Application Score Sheet on the HSO Web Page.

- Has a traffic safety related problem been adequately identified and appropriately described in the problem statement?
- Do the objectives, targets and performance measures directly address the identified problem?
- Are the objectives clearly stated and achievable?
 - Is a completion date indicated for each objective?
 - Is sufficient time allocated to achieve each objective?
- Will performance measures provide adequate evidence of project activity and accomplishment of objectives?
- Are personnel needs accurately identified? For example:
 - If an objective requires roadway safety studies, an engineer must be involved.
 - If an objective involves public information and education activity, these activities will be coordinated with CDOT Public Relations. No Subrecipient will be disseminating public information without the approval of the PR department
 - If the objectives involve law enforcement agencies, a sufficient number of appropriately trained officers must be available.
- Will any special equipment be needed? If so, will it be available for grant implementation, or does the applicant require funding to acquire the equipment?
- Are there other considerations that might affect subrecipient performance? If so, are they adequately addressed?

ii. Grant Review Team

Proposals recommended for funding after the initial review by the HSO staff are then evaluated by the Grant Review Team (GRT). The GRT is composed of representatives of agencies and organizations selected by the HSO Administrator who have worked with the HSO in the past and have traffic safety or grant related experience. The GRT is created to review and score proposals to establish a fair process for selecting grants. Applications are prescreened by the HSO before being sent to the GRT members. Only qualified grant applicants are forwarded to the GRT. If the GRT recommends changes to any application, those changes will be negotiated by the HSO Project Manager.

To avoid any conflict of interest, the GRT members may be requested to sign a statement provided by the HSO (See Appendix D. Non-Conflict of Interest Statement).

During year two and three of CDOT's current funding cycle, the GRT will consist of the Project Manager and the HSO Department Managers. This is continuation funding and is based on success of the previous year and SMART objectives presented with measurable evaluation criteria.

iii. Grant Proposal Evaluation Procedure:

- It is suggested that when the grant reviewer receives an application, they read through each one completely, at least one time with no points awarded. This method ensures a full understanding of each proposal before awarding points. It also will help to eliminate or reduce the psychological tendency to award fewer points to the first offer reviewed.

- Each grant reviewer will be supplied with a scoring sheet developed by the HSO for the application being reviewed (See HSO Website for Grant Scoring Criteria). While scoring, only whole numbers is suggested it may be necessary to use fractional points (i.e. 3.5 or 4.76) may be used. Numbers may be selected between the scoring criteria, i.e., 1, 2, or 4, if a proposal falls between the criteria descriptions.
- Comments should be added as needed for clarification on the reason points were given. The application reviewer may "insert comment" directly into the field, add to the bottom of the scoring sheet, or supply comments on a separate document. Grant reviewers are not responsible for determining the actual award of the proposal; they are only scoring the proposal. Offers will be determined upon a compilation of points awarded as a combined effort of the GRT scoring and the HSO.
- It is recommended that the GRT meet together whenever possible to discuss their scoring so questions regarding extreme differences in score can be discussed, debated, and potentially moderated prior to submission. Once a reviewer is satisfied with their review, they will return (hand carry, email, or U.S. Mail) the hard copy score sheet to the Project Manager who will compile and average scores and file the document.
- Any questions identified by the GRT members will be resolved by the HSO *Project Manager, who will recommend approval or denial of all applications to the HSO staff, managers, and Director* before a final selection is made by the HSO.
- Final selections are made only with the approval of the HSO Administrator. There must be a separation of duties between the individual responsible for developing the grant and the individual who approved the grant.

iv. Pre-Award Risk Assessment

Beginning with FY2016 grants, the HSO developed and follows a procedure to conduct a risk evaluation, and communicate, in writing, the risk assessment results to each subrecipient who is receiving NHTSA funds. This will be completed prior to making the grant award. The HSO, as a pass-through entity, is required to evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations and the terms and conditions of the sub award for purposes of determining the appropriate subrecipient monitoring. The HSO risk assessment process includes the four factors listed in [2 CFR Part 200.331\(b\)](#):

- (1) The subrecipient's prior experience and performance with the same or similar sub award; and the HSO specific history with the subrecipient.
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of Part 200.331(b), and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

If a subrecipient of the HSO passes on Federal grant funds via a sub award, the subrecipient has the same obligation as a pass-through entity for all requirements of 2 CFR Part 200.331 including conducting a pre-award risk assessment of their sub recipient.

The HSO shall consider imposing specific sub award conditions upon a subrecipient if appropriate as described in 2 CFR Part 200.207 Specific conditions. See also Chapter V, Section N. Monitoring.

v. *Grant Negotiations*

After a successful applicant has been notified that their proposed grant application has been accepted, the applicant completes any final grant agreement development issues through negotiations and discussions with the HSO *Project Manager*. The grant agreement outlines the specific components of a project, the final authorized budget, the specific performance measures and objectives, and the commitment of responsibilities by the HSO and the subrecipient.

Final grant agreement development typically involves some level of negotiation to ensure that the final agreement meets all of the HSO requirements, expectations and conditions. The *Project Manager* negotiates on behalf of the HSO and will save as “final” Application on the Shared Drive notated as “final”. Negotiation allows the HSO and the applicant to arrive at an understanding on the specific details of the grant agreement (such as budget detail amounts, enforcement activity locations, evaluation criteria, etc.). Negotiating involves discussion, clarification, or modifications to the proposed grant application. Items to be discussed during the negotiation phase include, but are not limited to, the following:

- Problem identification
- Project description
- Anticipated outcome
- Time period
- Location and frequency and measurability of activity
- Acquisition of equipment or other items
- Frequency of reporting and invoice submissions
- Budget content
- Performance measures

The following table lists the steps a typical proposed grant application follows from initial development to final grant agreement execution. Also shown are the parties responsible for each step.

Table 8. Project Proposal and Grant Agreement Preparation Process Overview

Step	Action	Responsible Parties
1	Project development and proposed grant application submission	Applicant
2	Receive proposed grant application, print and File on the OTS Shared Drive	<i>Project Manager</i> (Grant Distribution Log completed by HSO Manager)
3	Proposed grant application review and clarification with Applicant	<i>Project Manager, Applicant</i>
4	Technical analysis and HSO pre-selection	<i>Project Manager and GRT, (Grant Review Form)</i>
5	Scoring	Project Manager and GRT
6a.	Final Grant Agreement Negotiation	<i>Project manager, Subrecipient</i>
6b.	<u>Pre-award Risk Assessment</u>	<i>Project Manager – Communicated to Subrecipient</i>
7	HSO Formal Approval	HSO Staff, Managers and HSO Administrator
8	Department Approval	<i>HSO Manager</i>
9	Notice to Proceed (NTP)	<i>Project Manager</i>

vi. Award

Where possible, all applicants will be notified in writing of their award status by Mid-June. Following successful completion of negotiations and receipt of all required documentation, the HSO issues a NTP to each successful applicant on or before October 1 of the new grant year. Each NTP shall be signed by the Project manager

vii. Assistance and Resubmission Requests

Upon request, a resubmission of the denied application may be requested for an unsuccessful applicant by written request to the Project Manager no later than 5 business days after receiving notice that the proposed grant application was not accepted. The HSO PM will review the resubmission request within 3 to 5 business days of the request. The HSO may respond to the request by telephone or email with suggested modifications and offer to assist. Discussion will be limited to a critique of the proposed grant application. Comparisons between other applications or evaluations of other applications are not permitted.

A request for reconsideration of funding denial, must be submitted in writing. Reconsideration requests must be received by the OTS within 10 days of the date on the denial letter. Fax reconsideration requests, which must include the above-referenced Project Title and a statement of the reasons for the protest to: Colorado Dept. of Transportation, Attn: Director of the Office of Transportation Safety, (303) 757-9078. Reconsideration decisions made by the Director of the Office of Transportation Safety will be final and sent in writing by within 2 days of the request.

MINI Grants CDOT HSO offers smaller grants (less than \$5,000) defined as Mini Grants. The Mini Grant Application is found on the CDOT Safety page in the same location as the RFP grants.

The application is less cumbersome but does require identification of a problem with either CDOT supplied data or local data along with a budget identifying all planned expenditures and a narrative explaining the need.

Approval of the Mini Grant is the responsibility of the assigned Project Manager. The Mini Grant subrecipient will receive a customized claim form**, a PO copy encumbered at the full funding amount, a NTP, an Award Notification document and Grantee forms as required – PAR, travel reimbursement, etc. The program may be a one-time event or on-going through the year. It is recommended claims be submitted for \$1,000 or greater to reduce paperwork. A ML81N (service entry) will be completed for each claim.

At the end of the program, each grantee will be required to submit a Final Report showing successes, problems, and other measurable details showing the safety benefits of the program. (Number of participants, number of events, and number of activities and so on are required in the Final Report.) It is the responsibility of the PM to ensure that the report is received with the final claim and is acceptable. The final claim will not be paid unless the report is received and is determined to be satisfactory.

** Law Enforcement Mini Grants do not require the customized claim form but must be submitted on Letterhead and be clearly identified as an invoice with invoice number, full amount due, with billed to and remit to address.

D. Final Grant Agreement Preparation

i. Special Conditions

In addition to the general required terms and conditions which apply to every traffic safety grant agreement, the HSO may determine that special conditions should be imposed upon a specific subrecipient. Some reasons for the special condition may be the results of the pre-award risk assessment, nature of the specific strategy being addressed, past experience with the subrecipient or a special requirement that is not otherwise addressed in the general terms and conditions. If a special condition is imposed upon a subrecipient, the special condition shall be documented in the HSO NTP. Following are some examples of a special condition:

- The subrecipient is allowed to charge costs to the grant for activity which takes place within a stated timeframe before the official start date of the grant (this is typically a rare occasion which may occur when preparatory activity is necessary in order to assure that the primary grant activity can begin on the start date of the new fiscal year)
- The subrecipient is required to share equipment purchased under the grant with other agencies in their geographic region
- The subrecipient is limited to using specific personnel to complete grant activity
- The subrecipient does not have proven success in previous years of the three-year cycle.

ii. Signatures

a. HSO requirements

When the HSO Administration approves a grant agreement by approving the purchasing document, he or she is certifying that the agreement:

- Is legal and payable
- Includes all required and applicable provisions
- Complies with all applicable Federal and State regulations and laws
- Has received Federal approval when such approval is required
- Has been budgeted with available funds
- Has been authorized by the HSO as part of the HSP

Before approval, the *HSO Department Manager(s)* will review all grant agreements for form and content, applicable provisions, eligibility of costs, consistency, and accuracy.

b. Subrecipient requirements

A final grant agreement submitted to the HSO must be signed by the authorizing official (person with contracting authority) for the applicant agency or organization. The authorizing official, and in some cases the Project Director, must also certify and ensure that all of the conditions contained in the Subrecipient Certifications and Assurances, Reporting Requirements and Invoicing Requirements will be met including any special conditions.

A grant agreement must be approved and executed in accordance with subrecipient procedures as well. This may involve placement on the agenda for a city council meeting, the county commissioners' court, or a State agency's director, board, or commission. Scheduling time frames vary from agency to agency. Scheduling requirements must be considered in the approval process to ensure that the grant can be activated on time.

c. Educational institutions and hospitals

2 CFR Parts 215 and 220 for grants prior to FY2016 and [2 CFR Part 200 Appendix III](#) for FY2016 grants and forward require that educational institutions and hospitals provide a "Certificate of Indirect Costs (F&A) Costs" for federally funded projects. The certificate must be signed on behalf of the institution by the chief financial officer or an individual designated by an individual at a level no lower than vice president or chief financial officer. An indirect (F&A) cost rate is not binding upon the Federal Government if the most recent required proposal from the institution has not been certified. [Appendix IX of 2 CFR Part 200](#) states that the existing OMB principles located at 45 CFR Part 75 Appendix E, entitled "Principles for Determining Cost Applicable to Research and Development Under Grants and Contracts with Hospitals," remain in effect until such time as revised OMB guidance is proposed and implemented for hospitals. NOTE: NHTSA funds cannot be spent on Research and Development.

iii. Subrecipient Certification

The HSO Grant Request/Project Agreement form and contracts contain required Terms and Conditions as well as requiring compliance with the federal Certifications and Assurances which pertain to subrecipients. These sections provide the terms and conditions governing the grant or contract and certifies that a subrecipient will comply with the applicable regulations, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal or State funds for the project.

The subrecipient or contractor must be aware of the requirements imposed upon them, see [23 CFR Part 1200 Appendix A](#) and [2 CFR Part 200.331\(a\)\(2\)](#) These requirements and certifications are included in the HSO NTP and award notification documents. Appendix A of Part 1200 identifies the following certifications and assurances that are required to be imposed upon subrecipients (sub grantees) and contractors. They are:

- Non discrimination
- Buy America Act
- Political Activity (Hatch Act)
- Certification Regarding Federal Lobbying
- Restriction on State Lobbying
- Certification Regarding Debarment and Suspension

Although not recommended, the HSO may alter the language of the Federal certifications and assurances as it is the State's responsibility to ensure that subrecipients are complying with the terms of the grant.

The HSO may at their option require additional subrecipient State certifications and assurances, such as, seat belt use or training requirements for law enforcement officers.

The HSO Project Manager shall ensure that for each grant proposal the subrecipient has been checked on the [Federal Debarment and Suspension List by State](#) to ensure they are not suspended or debarred. Subrecipients, as well, must check all contractors to ensure they are not on the debarred list. Subrecipients are required to become familiar with the contents of the final grant agreement form and award notification and be on notice that failure to do so will not excuse nonperformance or noncompliance.

If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in 2 CFR Part 200.207 Specific conditions, or terminate the award in whole or part as provided in [2 CFR Part 200.337 and 338](#).

Each fiscal year the HSO signs Certifications and Assurances with the submission of Appendix A of the HSP that the State complies with all applicable Federal statutes, regulations, and directives in effect with respect to the period for which it is receiving grant funding. The State Certifications and Assurances are provided in the [NHTSA Highway Safety Grant Management Resources Guide](#) and should be referenced annually to ensure that the most current requirements have been incorporated by the State.

See Chapter II. Planning – Section P. Certifications and Assurances for additional information.

E. NHTSA Equipment Purchase and Disposition Approval of \$5,000 or More

For all major equipment purchases and replacement purchases with a useful life of more than one year and an acquisition cost of \$5,000 or more in total value, the HSO shall receive prior written approval from the NHTSA Regional Administrator. This procedure is required by [23 CFR Part 1200.31](#) and the [NHTSA Highway Safety Grant Funding Guidance Part III.A](#). The regulations look to the cost of the equipment regardless of the portion of funding supported by Federal or other funds if the total cost was \$5,000 or more. See also [2 CFR Part 200.439](#) on capital equipment. The HSO requires the request for capital equipment is documented in the application and budget. If approved, the request for approval by NHTSA will be received prior to purchase. All major equipment of \$5,000 or more in value will be maintained on the grantee's asset listing, will be documented and the capital equipment agreement and inspection will be completed and kept on file in the Capital Equipment binders as well as in the Grant Folder. An annual inspection will be completed and documented. Disposal of each asset will be pre-approved and will be in accordance with the applicable State and NHTSA regulations. The HSO will adhere to allowable and unallowable equipment purchases as specified by the Federal regulations.

The unit cost for equipment is the unit's purchase price plus any accessories necessary to make the equipment operational for its intended purpose. During the review of proposed grant applications, the *Project Manager* shall identify all equipment purchase requests by subrecipients which meet the above criteria. The *Project Manager and Department Program Manager* shall ensure that the equipment has been identified within the HSO HSP, and, that written approval from NHTSA has been obtained and then submitted to the NHTSA Regional Administrator for specific approval. The request shall be included on the ISP and will describe the type of and a complete description of the equipment, and how the equipment would support the State's highway safety program.

If approved, the HSO Project Manager shall inform the subrecipient to proceed with the equipment purchase by sending a written communication, ensuring the equipment is included in the approved budget, and providing specific instructions and documents for the purchase of the equipment.

When making the equipment purchase, the purchaser should also obtain the expected service life and warranty of the equipment from the vendor or the manufacturer. Once the equipment has been purchased all documents will be completed signed and dated and included in the HSO Capital Equipment log and scheduled for annual inspection.

The [NHTSA Highway Safety Grant Funding Guidance, Part IV.A](#), states that costs for construction, rehabilitation or remodeling of any buildings or structures or for the purchase of office furnishings and fixtures are **unallowable**. The following are some examples:

chair	bookcase	portable partition
table	filing cabinet	pictures or wall clock
shelving	floor covering	draperies and hardware
coat rack	office planter	Fixed lighting/ lamp.

Part IV.A. of the Guidance should be consulted for other unallowable costs and equipment costs. The HSO, as part of its oversight responsibility, shall systematically monitor all subrecipients with grant-funded equipment in accordance with State laws and procedures to ensure that subrecipients are in compliance with all Federal and any State requirements for property management, inventory and disposition. Equipment shall be used by the subrecipient for the purpose for which it was acquired as long as needed, regardless of whether the program continues to be supported by HSO funds. When no longer needed for the original program, the equipment may be used in other traffic safety activities. If it is determined that the equipment is no longer needed for the purpose acquired or any other traffic safety purpose, the equipment shall be handled in accordance with HSO policy and Federal requirements.

Prior written approval must be received from the NHTSA Regional Office by the HSO for the disposition of equipment with a value of \$5,000 or more unless the equipment has exceeded its useful life as determined under State law and procedures.

Disposition of equipment must follow the Colorado asset disposal policies and must be coordinated with the State Procurement Department.

See Chapter V. Grant Administration and Management, Section G. Property Management

F. Reporting Requirements

The HSO requires three types of progress reports in conjunction with traffic safety grant projects: periodic (quarterly) progress reports during the life of a grant, a final report at the conclusion of a grant (this is the only reporting requirement of a Mini Grantee), and special reports as required, including the annual report template.

Progress reports provide the HSO with information that can be used to strengthen the State's overall traffic safety program. These reports should keep the HSO informed of a grant's progress, explain any difficulties encountered, provide background information that can be shared with others, and suggest ways in which the HSO can assist and aid in the distribution of funds.

i. Quarterly Progress Reports

The reports are to be submitted quarterly and are due in the HSO within not less than twenty (20) calendar days after the end of the reporting month. A report must be filed every quarter regardless of whether no activity has taken place or no grant related expenditures have occurred. The HSO *Project Manager* shall include in the annual Pre-Work meeting the report due dates to each subrecipient. The report should indicate if no progress has been made on the project and original or innovative ideas or methods employed in the project should be incorporated into the reports.

ii. Final Progress Report

Final reports are due from subrecipients to the HSO no later than November 15 for activities funded in the previous fiscal year. The reports are to be detailed and must describe whether the grant objectives were accomplished, if technical and fiscal problems were encountered, and what improvements in traffic safety have resulted or probably will result. Included in final reports will be copies of publications, training reports and any statistical data generated in grant execution. Final reports should discuss the following:

1. Accomplishments compared to the original grant objectives.
2. Were all activities of the grant completed as scheduled? Dates and milestones when studies were completed should be included.
3. Equipment purchased should be identified.
4. Any unanticipated issues that affected the grant.
5. Funding and costs for completion of the grant in relationship to the original estimates.
6. Third party performance if applicable. A copy of any consultant reports should be included with the final report.

iii. Special Progress Reporting

Special reporting may be required. If so, reporting frequency and requirements will be detailed by the HSO in the grant agreement. However, performance reports will not be required more frequently than quarterly except for unusual circumstances, see 49 CFR Part 18.40 prior to FY2016 and [2 CFR Part 200.327](#) for FY2016 and forward.

IV Annual Report

The Annual Report Template is due to the HSO by November 15 of each year. The report will be included in the HSO HSP Annual Report document which conveys results of all funded programs and impact on targeted problem areas.

The template is limited in space requiring the detail to be concise and to articulate the success of the program and how those successes contributed to the HSO HSP objectives and goals.

G. Grant Revisions

Proposed grant applications and final grant agreements may be altered or amended prior to or after signing by mutual agreement of the parties. The alterations or amendments are not binding unless they are on the Grant Revision form. The request and approval may be completed via email.

If additional tasks or costs are authorized, the subrecipient must not begin work on the additional tasks or incur the additional costs until the written approval has been received. An amendment cannot be used to authorize new or different work not related to the scope of the grant being amended.

Subrecipients must have any amendments to a grant executed not less than 90 days prior to the end of the applicable grant year.

The following deviations from the approved grant budget require PRIOR approval from the HSO:

- a) A specific item of cost not included in the approved budget
- b) An increase in the number of a specific item over and above the total authorized
- c) A transfer between major budget categories in excess of a total of 10 percent of the category being increased. (For transfers of less than a total of 10 percent of the category being increased, the Grant Revision form is still required but no formal notification to NHTSA is required.)

The HSO procedure for review and approval of grant agreement revisions is:

- Subrecipient submits via email or phone request for a Grant Revision form from their PM
- *Project Manager* will review the Grant Revision request and makes a recommendation for approval or denial.
- If recommended for approval, the *HSO Program Manager* forwards the Grant Revision request to the HSO Administrator for approval and notifies the subrecipient in writing. All related paperwork is retained in the grant file.
- If the grant revision results in an addition of funds to the original grant agreement, the *Project Manager* will revise the Grant ISP and submit to the Program Manager for submission to NHTSA. Once NHTSA approval is received, the funds will be encumbered in SAP and the subrecipient will be notified to proceed. (See Chapter VI. Fiscal Procedures, Section D. Grant Tracking Spreadsheet).
- If recommended for denial, the *Project Manager* prepares an explanation for the denial and notifies the subrecipient. All related paperwork is retained in the grant file.

The HS-217 is required to be resubmitted by the HSO to the NHTSA Regional Office Prior to any reallocation of funds between program areas or changes including an updated list of projects under each program area. The amended HS-217 and list of projects is subject to the approval of the NHTSA Regional Office, see 23 CFR Part 1200.32.

NOTE: Revisions to the SOW, change in key personnel, and inability to work on the grant for more than three months also require a Grant Revision request, review, and approval. Failure to acquire necessary approvals may result in disciplinary actions up to and including cancellation of the grant.

H. Development of Highway Safety Office Internal Grants

In anticipation of the beginning of each new fiscal year, the HSO Administrator and *Department Manager(s)* will estimate how much funding is needed for Planning and Administration (P&A) and Program Management costs to support the operation of the HSO highway safety program. Estimates will take into consideration any anticipated increases in costs as well as in recurring costs. A Funding ISP will be completed and approved for each program operated by the HSO and will describe the problem identification, targets, objectives, activities, performance measures for the upcoming year. The HSO internal grant agreements will be approved by *NHTSA via their approval of all programs. The Program Control Analyst* is designated as the Project Director for the HSO P&A grant.

Definition of P&A Costs: P&A costs are those direct and indirect expenses that are attributable to the overall management of the State's Highway Safety Agency. Costs include salaries and related personnel benefits for the Governor's Representative for Highway Safety and for other technical, administrative, and clerical staff, for the HSO. P&A costs also include other costs, such as travel, training, equipment, supplies, rent and utility expenses necessary to carry out the functions of the HSO. See 23 CFR Part 1200, App. F (b.)

Definition of Program Management Costs: Program management costs are those direct and indirect expenses that are attributable to the highway safety program area. Costs include salaries and related personnel benefits and other related costs such as travel, equipment, training, and materials and supplies. See 23 CFR Part 1200, App. F (b).

All costs related to internal operation of the HSO program will be charged only to the HSO internal grants.

i. P&A Match Requirement

The *Program Control Analyst* and HSO Administrator shall ensure that the internal P&A grant complies with applicable Federal regulations including the provision of a match of State or local funds in the amount of 50 percent of the costs claimed for eligible P&A functions. These requirements are contained in the [NHTSA Highway Safety Grant Funding Guidance Part I.A and B](#). See Chapter VI. Fiscal Procedures, Section C. Matching Funds. Match is defined as the direct expenditure of actual State funds or State or local funds that are expended in support of other qualifying traffic safety programs (such as, the salaries of highway safety related, State-funded employees) and have not been utilized by another Federal, State or local agency as matching funds for a separate Federal project. The State must have documentation to support an audit. States can carry over unexpended P&A funds if they were programmed in GTS by September 30. The CDOT grant accountant will voucher only 50% of the P&A WBS costs thereby ensuring the match requirement.

The Federal P&A share shall not exceed 50 percent of total P&A costs, except for select States using the sliding scale for match (See [NHTSA Order 462-6C Matching Rates for State and Community Highway Safety Program](#)). From its annual State appropriations, the Department shall ensure the availability of the funds needed by the HSO to support the program match for the State's P&A share. If the State is using any HSO indirect costs as a P&A match, the costs shall only be applied to P&A expenditures.

The HSO shall limit Federal participation in P&A funding to not exceed 50 percent (or the applicable sliding scale rate) of the total cost of such activities. The HSO shall ensure that the Federal contribution does not exceed 13 percent (increased from 10 percent beginning FY2014) of the total new funds the State receives annually under Section 402 and for Section 154 and 164 transfer funds (when used for section 402 purposes to support alcohol-impaired driving programs). See Appendix F of 23 CFR Part 1200 and the [NHTSA Highway Safety Grant Funding Guidance Part I.A. and B](#).

If a HSO is found by NHTSA to have miscalculated or not provided sufficient P&A match, the correct amount will be determined by NHTSA and the HSO will be required to take the appropriate corrective action.

ii. HSO Employee Time Allocation and Certification Requirements

As provided by 2 CFR Part 225 Appendix B (8) (h) prior to FY2016 and [2 CFR Part 200.430](#) for FY2016 and forward, charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit. CDOT's SAP time capturing system has been approved by NHTSA as adequate documentation of time charged to the grant.

For FY2016 and forward [2 CFR Part 200.430](#) requires the HSO to rely on strong internal control standards and allows more flexibility on how to meet those standards. Personnel activity reports (PAR) are no longer required by the CDOT HSO as the SAP time input sheet documents the activity and time expensed to the P&A. Part 430 (i) establishes *Standards for Documentation of Personnel Expenses*. Part 430 (8) states that where the records of the subrecipient does not meet these standards, the Federal agency may require PARs including certifications that support the records as required by this section.

For HSO employees working on P&A functions, the HSO shall ensure that only direct and indirect expenses for salaries and other costs that are attributable to the overall management of the State's HSP and necessary to carry out its functions are charged to P&A. The HSO shall ensure that employees who process grant claims or perform other P&A type duties are working on P&A for only the applicable fund program type e.g. an employee charging 100% to 410 or 154AL P&A must work on P&A only for alcohol programs. See [Appendix F to 23 CFR Part 1200 - P&A Costs](#) which states that if the HSO elects to allocate costs based on actual time spent, the recordkeeping system must be approved by the appropriate NHTSA Approving Official.

The HSO's Program Control Analyst shall periodically examine the process and the cost data used to determine employee time allocation and certification methods to ensure continued accuracy and amend the data when significant changes occur. The HSO shall ensure that documentation for costs vouchered to P&A and program management are charged as described in the HSP and will periodically determine compliance through review of the HSO employee timesheets.

iii. Time and Attendance Records

All employee time and attendance records shall be approved in SAP by the appropriate supervisor or timekeeper as required by State law, regulation, rule, policy or guideline. The attendance record of salaried employees should also be accurately documented whether federally funded or funded by State match.

LEAVE TIME: When an employee is charging time to more than one award (e.g. 402 and 405) the allocation of leave time must be equitably and reasonably charged to the funds. CDOT SAP Time Sheet and cost allocation process does not charge leave time to the grants; all PTO is currently expensed as a State expense. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences, such as annual leave, sick leave, holidays, etc., although allowable are also not charged to the grant.

iv. Subrecipient Timekeeping Requirements

Subrecipients of Federal awards are subject to the same requirements for time allocation and certification as the primary award recipients. The CDOT HSO requires a PAR from all employees with detailed hours

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worked and activities completed. Although not required for sub-contractors the HSO strongly encourages the same level of activity detailing for the time paid to these contractors. The HSO shall ensure that subrecipients are informed of the applicable Federal time allocation and certification requirements and are operating in compliance by periodically examining their records to verify full compliance with these provisions.

v. HSO Invoicing and Reporting

The HSO shall complete and submit within 15-days from the end of each month, GTS Vouchers to NHTSA to request Federal reimbursement for allowable costs and prepare progress reports if requested by NHTSA for documenting the activities completed for the internal grants. The requests for progress reports is infrequent as the Colorado NHTSA representative reviews files on a quarterly basis so questions or concerns are addressed at that time.

The voucher submission is completed by the Accounting Department's Grant Accountant and verified by the Program Control Analyst.

See Section F. Reporting Requirements, for additional information regarding subrecipient progress reports.

Chapter V

Grant Administration and Management

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V. Grant Administration and Management

A. Overview

As with the application and project selection processes, the Project Managers have principal responsibility for program management. This includes:

- Grantees are properly registered on SAM, provide DUNS# and proof of Insurance prior to funding. Grantees are not on the Federal Suspended and Debarred listing
- Ensuring that funds are booked or obligated in the GTS
- Ensuring that funds are booked or obligated in SAP
- Funds are tracked throughout the year
- Contracts or purchase orders are prepared and routed for signature in a timely manner
- In-house projects or tasks including Planning and Administration, the Roadway Program, the Public Information Program, technology transfer tasks and others meet the same management criteria as contracts with outside vendors
- All project reporting and financial management requirements are met- Ex: claims are timely and accurate, progress reports are reviewed and shortfalls are corrected.
- Projects are monitored as required, including Risk Assessment, site visits and pre-work meetings
- Capital equipment is accounted for properly
- Required audits are obtained
- Project files are maintained.

Federal Highway Safety Programs. After the FAA 217 has been approved by NHTSA, safety program staff may proceed with the contracts and agreements process. Contracts and agreements may be created and required signatures obtained prior to the approval of the FAA 217; however, the CDOT Controller will not approve the contract or agreement until the FAA 217 has been approved, signed and funds are booked into the GTS and SAP.

The Grant Tracking System (GTS) is the NHTSA system which electronically tracks the planned expenditures contained in the ISP, the dollars obligated to a task or in-house activity, actual expenditures, revisions to the ISP funding, and state match and local benefit requirements. Local benefit is prescribed in 23 CFR 1250 and requires at least 40 percent of all federal funds apportioned to be expended by political subdivisions of Colorado.

B. Grant Management

The HSO employee responsible for the day-to-day oversight of a grant is called the *Project Manager*. The *Project Manager (PM)* is responsible for tasks associated within their program area(s) of responsibility (for example, impaired driving) including final grant agreement preparation, execution, and administration. Failure to perform these tasks correctly can result in significant grant management and payment problems.

The *PM* will monitor and evaluate the subrecipient's performance and will expedite invoice processing without unnecessary delays.

The *Project Manager* will not:

- Impose any task upon the subrecipient or permit any substitute activity not specifically provided for in the grant agreement or in the approved Grant Revision Document
- Give direction to the subrecipient or to employees of the subrecipient, except as provided in this document
- Approve expenses for activities that do not meet performance specifications contained in the grant agreement
- Authorize expenditure of funds except in accordance with the specific terms of the grant agreement
- Offer advice to the subrecipient that may adversely affect performance, compromise HSO's rights, or provide the basis of a claim against the HSO that may affect any pending or future determination of fault or negligence
- Authorize or agree to any change in the grant agreement, standard provisions, certifications, project period, delivery schedule, maximum amount eligible for reimbursement, or other terms and conditions of the grant agreement, unless such change is specifically approved, revised, and authorized in the grant agreement
- Allow supplanting (e.g. replacing routine and/or existing State or local expenditures with the use of Federal grant funds and/or using Federal grant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of State, local, or Federally-recognized Indian tribal governments. See Section K. Supplanting.)
- Promise that a future grant or extension of a grant for another year is approved prior to the HSO approval.

C. Submission of Claims

i. Conditions

Reimbursement of costs under a final grant agreement is contingent upon the following conditions:

- The availability of appropriated funds
- Actual costs having been incurred (services provided, hours worked, etc.) in accordance with the approved project budget
- Compliance with the cost principles established in the Office of Management and Budget (OMB) circulars referenced in the grant agreement

All subrecipients use an HSO provided Grantee Reimbursement Claim form (referred to as “Claim for Reimbursement”) to “bill” the HSO for costs incurred under the terms of grant agreements. All subrecipients will execute a *CDOT form 1069 along with other required CDOT forms, i.e. employee expense reimbursement, PAR, Expense Summary (when applicable)* to submit costs for reimbursement.

Exception to the claim requirements are the Law Enforcement Mini Grants which can be submitted on an invoice on agency letterhead.

ii. Payment Procedures

The HSO has established the following payment procedures for subrecipients.

- Subrecipients shall submit claims to the HSO on a monthly basis regardless if there are expenses or activities.
- Subrecipients shall submit separate claims for expenditures under each Federal program funding area for which they are seeking reimbursement.
- All claims for goods received or services performed on or prior to *September 30* of the grant year must be received by the HSO no later than *November 15*.
- Claims for goods received or services performed between *October 1* and *September 30* of the grant year must be received by the HSO no later than *45 days after the end of the month for which the expenditure was incurred*.
- Claims received after the above cutoff dates may not be reimbursed. A 45-day non-payment notice will be sent to grantees that have not submitted their claim timely. A corrective action plan will be required to grant a one-time exception to the non-payment notification. Subrecipients are responsible for informing their accounting office of the above invoice submission deadlines.

iii. Documentation

The HSO requires the subrecipient to submit and maintain complete financial and programmatic documentation of all claims in the form of source documents to support the amounts claimed. The HSO requires that the subrecipient submit the source documents with their claim (unless instructed otherwise) including time sheets, receipts, and other records of costs incurred. Such records, and other records reasonably considered as pertinent to program regulations or the grant agreement, are required to be maintained by 49 CFR Part 18.42 prior to FY2016 and at [2 CFR Part 200.333](#) for FY2016 and forward and must be retained for a period of three years after submittal of the final claim to the HSO.

iv. Reimbursement Policy

- The HSO requires all agreements to include a “maximum amount eligible for reimbursement.” This maximum amount is the total grant reimbursable amount and is the HSO’s share of the estimated grant cost. The budget will identify each cost category and is recognized as an

estimate and actual cost will be paid but not to exceed the maximum amount approved in the grant agreement. (A line item in the budget is the authorization for funds to be expended on that item.) If an item is not included in the budget a prior approval is required to add or change the approved budget.

- Grants do not allow payment of any profit to the subrecipient. If the HSO or a subrecipient subcontracts with a commercial (for profit) firm, the fee becomes an actual cost and is eligible for reimbursement if all other payment criteria meet the terms of the agreement.

v. Advances

Capital advances are not allowed. Reimbursement will be made only for costs incurred during the grant period. The incurrence of cost depends on the accounting system used.

When cost is incurred, if:

1. An **accrual** accounting system is used, then cost is incurred when a recorded liability exists. (Examples include invoices, bills of lading, vouchers of individual travel performed, and cash receipts of expenses incurred. Advances for anticipated costs are prohibited.)
2. A **cash** accounting system is used, then cost is incurred when a cash disbursement has been made.

The HSO will review all proposed and submitted costs to determine that they are necessary, reasonable, and in compliance with applicable cost principles. The *Program Control Analyst* is available to assist HSO in the analysis if requested to do so.

D. Public Information and Education (PI&E)

NHTSA issued significantly revised guidance regarding Public Information and Educational materials which became effective January 19, 2016. See "NHTSA Memorandum Use of NHTSA Funds to Purchase Items for Distribution".

i. Promotional Items Prohibited

No promotional items or memorabilia are allowable costs under Federal grants (see below). Use of NHTSA grant funds to purchase promotional items or memorabilia is illegal and could result in a Management Review finding and the requirement to repay the misused funds.

An unallowable promotional item is an item whose purpose is to be used as an incentive, to increase goodwill or that is a giveaway. Distribution of items where the recipient keeps the item after the event (whether to members of the public at a State fair, to groups at a training event, or to police officers to maintain partnerships) is never a necessary expense for performance of projects under the grant.

In order for a State grantee or a subrecipient to give out items that are paid for using Federal funds, there must be specific statutory authority. NHTSA (and by extension, NHTSA fund recipients and subrecipients) has only two authorities of this kind. States may use Section 405 occupant protection funds to provide child restraints to low-income families, subject to a cap of 5% of funds received. 23 U.S.C. §405(b)(4)(A)(v). NHTSA also has authority under 49 U.S.C. §20134 to "purchase items of nominal value and distribute them to the public without charge as part of an education or awareness program" to promote railroad grade crossing safety.

NHTSA clarified on February 12, 2016, that this does not apply to the purchase of child restraints and bicycle helmets in the current FY16. States and State subrecipients may continue to purchase these items using Section 402 highway safety grant funds for FY16 programs.

States and State subrecipients may use State funds or privately collected funds/private sponsorships to purchase promotional items, subject to applicable State laws and policies. Items donated by private entities are considered program income subject to the applicable regulations, see Section J. Program Income.

ii. Educational Materials

Any use of NHTSA grant funds must support State traffic safety goals. When determining whether to purchase educational materials, a State or subrecipient should use good judgment as a responsible caretaker of tax dollars intended to support traffic safety. As always, all costs charged to NHTSA highway safety grants must be within the scope of the grant, address a highway safety problem, and help meet performance measures. Paper, pamphlets, flash drives and CD-ROMs that contain educational materials are allowable because their purpose is to contain and convey educational information. In order to be considered educational, distributed material must provide substantial information and educational content (not merely a slogan) to the public **and** have the **sole** purpose of conveying that information. If a recipient or subrecipient chooses to provide educational content on a flash drive or CD-ROM, that device must be an economical method of conveying the information.

Examples of allowable educational materials are:

- Traffic safety-themed coloring book given to children at a school event, state fair, etc.
- A pamphlet including statistical information such as “X number of people lose their lives every year when not wearing a seat belt” and safety tips distributed at a state fair.
- A flash drive containing information about the dangers of texting and driving (i.e., statistics, ideas to prevent texting while driving).
- A folder containing information about child passenger safety (i.e., statistics car seat/ booster seat laws, proper car seat installation and use, danger of leaving children unattended in hot or cold cars, etc.) and relevant safety tips provided to parents at a car seat inspection station.
- A CD-ROM or flash drive containing training/conference materials given to attendees at a highway safety conference hosted by the recipient/subrecipient.

The content of all newly developed PI&E materials to be purchased with Federal funds must be submitted to the HSO for written approval prior to final production.

Examples of unallowable promotional materials are: (see January 19, 2016 NHTSA memo Funds to Purchase Items for Distribution)

- Bumper stickers, and/or texting thumb bands given to members of the public at a state fair
- Keychains and/or pens given to groups at a training event.
- T-shirts for volunteers at a state fair or car seat installation center (either as an incentive or to designate staffers as a team)
- Shirts for Law Enforcement Liaisons, shirts or hats worn by participants in a press event
- Helmets given to participants in a bike rodeo to take home
- Challenge coins, when ordered in bulk and kept on hand to give to many people outside of a limited formalized recognition program (for example, given to all attendees at a conference, to police officers in the ordinary course of employment)
- Items such as flashlights, general law enforcement equipment, duty bags, jackets or even plaques given to members of law enforcement to encourage or incentivize participation
- A folder or binder given to attendees at a conference that is more expensive than necessary to hold the provided materials. The cost of folders or binders must be reasonable the purpose is to hold information not provide a gift.

Reproduction of NHTSA or other Federal government endorsed material already approved is permissible without HSO approval. The cost of the items must still, however, be included in the grant agreement budget and define the following:

- Target audience
- Explanation of how the activity will help meet the objective of the project
- Description of how the results of the activity will be used and reported

Promotional items cannot be freely distributed to the public without any action on a recipient's part. Persons receiving promotional items should interact with the subrecipient in some manner related to the goal of the project to receive them, such as attend a presentation, sign a pledge sheet, fill out a survey form, answer a traffic safety question, etc. The results of the interactive activity must be reported in the quarterly progress report.

iii. Safety Supplies and Equipment

An item that serves a safety function required to protect personnel during performance of a project is an allowable project expense. To qualify, these items must be supplies or equipment needed to carry out work under the grant and are kept for use by the program, **not** distributed for retention by the recipient. An example is a reflective safety vest for use by an employee conducting a roadside survey at night and retained by the program. Other examples are provided in the NHTSA Memorandum.

iv. Recognition Awards

NHTSA highway safety grant funds may be used to purchase awards, where appropriate, under a formalized program that recognizes superior performance or exceptional contributions to the purposes served by the NHTSA grant. An appropriate award may be a certificate, plaque, coin, or medal, if it is given under a limited, formalized recognition program. An example is a plaque given by the SHSO to a police department at the annual highway safety conference for specific outstanding enforcement efforts. Other examples are provided in the NHTSA Memorandum.

v. Advertising

The Uniform Guidelines for the Section 402 program provide that “the State should enlist the support of a variety of media, including mass media, to improve public awareness and knowledge and to support enforcement efforts about seat belts, air bags, and child safety seats.” Advertising at this level is managed by the CDOT Public Relations Department.

The limited purchase of media time or space (television and radio ads, ads for social media, banners and posters) for traffic safety grant-funded PI&E campaigns is permitted and must be specifically approved by the HSO and be included in the HSO Highway Safety Plan (HSP). Examples of allowable advertising materials are provided in the NHTSA Memorandum.

Federally-funded public service announcements or video materials intended for television or cable television must be closed captioned.

Subrecipients that obtain grant funds to support paid advertising are subject to the same requirements as the HSO and would need to provide the required Federal reporting information in their progress reports to the HSO. See Chapter II. Planning, Section O. Advertising, for guidance on the specific Federal requirements pertaining to paid advertising. The HSO has limited sub-recipient advertising efforts to target audience publications, i.e. high school yearbooks, Senior Center Publications, local newspapers, flyers and similar limited advertising.

Federal funds are to be used only for certain specified **advertising** and **public relations** costs. See 2 C.F.R. § 200.421.

The only allowable **advertising** costs are for:

- Recruitment of personnel required for performance of a Federal award;
- Procurement of goods and services for the performance of a Federal award;

- Disposal of scrap or surplus materials acquired in the performance of a Federal award except when reimbursed for disposal costs at a predetermined amount; or
- Program outreach and other specific purposes necessary to meet the requirements of the award.

The only allowable **public relations** costs are for:

- Costs specifically required for the Federal award;
- Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of the Federal award; or
- Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of funding opportunities, financial matters, etc.

The Uniform Guidance *excludes* all other advertising and public relations costs, and *specifically excludes* “costs of **promotional items** and **memorabilia**, including models, gifts, and souvenirs”. See [2 CFR Part 200.421\(e\)\(3\)](#). Federal grant funds are *never* available to cover the costs of **promotional items** and **memorabilia**. The Uniform Guidance has other provisions that may apply to certain items that fall with the above categories. Certain educational items may be subject to the provision on [Conference Costs](#). [Subpart E](#) on Cost Principles of the Uniform Guidance should be consulted to determine if there are any additional provisions that pertain to a particular items or use of that item.

vi. Sports Marketing

When considering communications, public information and paid media expenditures that involve attendance at sporting and entertainment events that charge admission, specific tests must be applied in order to ensure compliance with 2 CFR Part 225, Appendix B.14. Costs of entertainment prior to FY2016 and [2 CFR Part 200.438](#) for FY2016 and forward. This section states that such costs (i.e. tickets to shows or sports events) are unallowable. The tests that should be applied and additional useful guidance has been provided in the [NHTSA Guidelines for Sports Marketing January 22, 2011](#) which is posted on the GHSA web site in the Members Only section. The HSO must also determine whether any State or local regulations concerning the purchase and acceptance of tickets to entertainment-related events may apply.

E. Procurement of Goods and Services - Contracts

The HSO shall follow the State and Department procurement rules and regulations for the purchase of goods and services for the direct use and benefit of HSO operations, see [2 CFR Part 300.317](#). Questions regarding the procurement rules should be directed to the *Program Control Analyst – liaison to Procurement*. Such contracts must include the subrecipient certifications and assurances required of other subrecipients. For FY2016 and forward, all other non-Federal entities, including subrecipients of a State, will follow [2 CFR Part 200.318-200.326](#). For the procurement standards in 2 CFR Part 200.317-200.326, non-Federal entities may continue to comply with the procurement standards in previous OMB guidance (superseded as described in Part 200.104) for two additional full fiscal years after the Guidance went into effect (December 26, 2014). If a non-Federal entity chooses to use the previous procurement standards for an additional two fiscal years before adopting the new procurement standards, the non-Federal entity must document this decision in their internal procurement policies.

The HSO and Procurement have developed State Controller Approved contracting templates which are monitored periodically to ensure compliance the State and Federal guidelines. All subrecipient contracts and professional service agreements are audited by the PM and/or PCA to verify compliance with the established State and/or local procurement procedures.

i. State Contracts

- The Procurement Department establishes contracts for goods and services for use by all State agencies.
- Establishment of these contracts has two primary goals. The first is to facilitate the purchasing process. A procurement officer may purchase according to the terms of the contract without additionally seeking determinations for single source or limited competition. This provides a significant savings in time to process.
- The second goal is to secure good pricing through the leverage of the State's purchasing power. Even though it is occasionally possible to secure pricing on spot purchases which is better than the contract pricing, use of the contracts is mandatory unless specifically stated otherwise. Goods and services for which mandatory term contracts have been issued must be purchased only from the contract vendor. The contractors have provided prices over the entire period of the contract in exchange for the State's offer to place all of our orders with them. The Department must abide by the terms of the contract.
- There is no monetary limit on purchasing from contract awards unless specifically noted in the contract.
- If commodities or services are being purchased on the open market on a continuing basis, it should be brought to the attention of the appropriate Procurement section or the appropriate Contracts section for consideration of the establishment of a contract award.

ii. Department Procurement Procedures

HSO procurement actions shall be accomplished in compliance with the State Procurement Code; the State Administrative Code; the State Administrative Manual; the Department's Delegation of Authority; and the Department's policies and procedures relating to procurement and contracting. All approved grants exceeding \$100,000 require completion of a contract. The Project Manager will complete and submit the required checklist, Exhibit A – Scope of Work, Exhibit B Budget and SRM Shopping Cart to the Program Control Analyst for review and submission to the appropriate contract writer.

F. Food/Beverage Costs

i. HSO and Subrecipient Purchases – Federal Requirements

In addition to the Department restrictions, Federal traffic safety grant regulations only allow the reimbursement of meeting and conference costs including meals, transportation, rental of meeting facilities and other incidental costs when the training supports objectives of the State's highway safety program. This requirement applies to the HSO and subrecipients. See [NHTSA Highway Safety Grant Funding Part III Allowable Costs, C. Training](#). An agenda and participant roster must be maintained to document the primary purpose of the meeting. Unallowable training costs include an individual's salary while pursuing training (except when the salary is already supported with highway safety funds under an approved project) and overtime for police officers attending drug recognition expert (DRE) training, see [NHTSA Highway Safety Grant Funding Guidance Part IV Unallowable Costs, C. Training](#).

Any NHTSA paid HSO meeting or conference costs will include documentation as will subrecipient's claims describing the date, location, number of attendees, the food and beverage items purchased and a description of the meeting purpose.

Costs of **alcoholic beverages** are unallowable. Costs of **entertainment**, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable, see [NHTSA Highway Safety Grant Funding Part IV Unallowable Costs D. Program Administration](#). For additional information, refer to [2 CFR Part 225 \(OMB Circular A-87\) Appendix B, Item 3 and Item 14](#) for prior to FY2016 and for FY2016 and forward [2 CFR Part 200.423 Alcoholic beverages](#) and [2 CFR Part 200.438 Entertainment](#).

See also See also Section D. Public Information and Education (PI&E), iii. Sports Marketing and Chapter VI. Fiscal Procedures, Section E. Allowable Costs.

ii. HSO Purchases – State Requirements

[1200.1 Procedural Directive on Official Functions states](#). Expenditures must be kept to a minimum and not have the potential of being perceived to be for personal benefit and an abuse of public funds. Remember that prior approval is required for everything that costs something, including meals, and snacks. Appointing Authorities should use significant restraint in exercising their discretion approving the purchase of food/beverages for employees with CDOT funds or other funds. See Full Directive found on CDOT intranet site.

G. Property Management

i. Federal and State Requirements and Thresholds

Federal requirements regarding the use, management and disposition of grant-funded equipment are found in 23 CFR §1200.31, and specify that the State and their subrecipients manage and dispose of equipment acquired under 23 USC Chapter 4 in accordance with State laws and procedures. Additional guidance from NHTSA can be found on the GHSA web site in the Members Only section, Management Review Materials/Equipment Management in a NHTSA Q& A dated July 2009.

State laws and procedures pertaining to property management are found in the *Procurement Manual*, which establishes requirements that all Departments and agencies must follow regarding the management of State property. Title 24. Government – State Procurement Code Article 101. Procurement Code – General Provisions Part 1. Purposes, Construction and Application - *C.R.S. 21-101-105 (2014). Assets purchased with Federal Dollars are normally recorded on the subrecipient's assets listing and are not considered CDOT property. CDOT should be listed on the title and insurance and repositioning or disposal of the asset will be completed in compliance with Colorado and CDOT's disposal guidelines. Prior to reimbursement of the capital equipment, a initial inspection is completed and an asset agreement must be completed and signed by subrecipient.*

The HSO staff will ensure compliance with all applicable Federal and Department policies Project Managers in conjunction with the Program Control Analyst and Capital Equipment Administrator.

For equipment with a useful life of more than one year and an acquisition cost of \$5,000 or more, see Chapter IV. Grant Selection and Execution, Section E. NHTSA Equipment Purchase Approval of \$5,000 or More.

ii. Subrecipient Property Management Systems

Subrecipients must establish and administer a system to procure, control, protect, preserve, use, maintain, and dispose of property furnished to them by the HSO or purchased through a grant, sub grant, or other agreement in accordance with their own property management procedures, provided that the procedures are not in conflict with the standards contained in this section or Federal property management standards procedures specified in 49 CFR Part 18.36 prior to FY2016 and [2 CFR Part 200.313 Equipment](#) for FY2016 and forward as appropriate.

Any property purchased, regardless of the unit cost, must be specifically authorized in the grant agreement. Equipment and other property acquired under a grant agreement for use in highway safety projects shall be used and kept in operation for highway safety purposes.

State Agencies: Property management standards described in the *Procurement Code* will be used in accounting for equipment purchased under the agreement.

Local Agencies and Other Non-State Subrecipients: Standards for property management described in 49 CFR Part 18.32(c) through (e) prior to FY 16 and [2 CFR Part 200.313 Equipment](#) for FY2016 and forward will be used in accounting for equipment purchased under a grant agreement. The Applicant Agency shall seek disposition instructions from the HSO prior to disposing of any item of equipment purchased. The subrecipient may follow their own existing property management standards if they exceed the Federal requirements.

iii. Subrecipient Property Records Requirements

The subrecipient property management requirements include, but are not limited to, the maintenance of accurate property records. Such records will include:

- A description of the property
- Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number
- Inventory number
- Source of funding for the property (including the FAIN-Federal Award Identification Number or grant or agreement number)
- Indication of with whom title is vested (generally vests with the subrecipient)
- Acquisition date
- Percentage (at the end of the budget year) of Federal participation in the cost
- Location, use, and condition of the property and the date the information was reported
- Unit acquisition cost (total cost from all funding sources)
- Ultimate disposition date in accordance with [2 CFR Part 200.313\(e\)](#) (including date of disposal and sales price or the method used to determine current fair market value).

iv. Subrecipient Inventory

Subrecipients will maintain an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Subrecipients will provide a copy of their inventory policies and procedures to the *Project manager upon request*. Subrecipients will institute adequate maintenance procedures to keep the property in good condition.

v. HSO Inventory

The HSO will use a centralized electronic inventory control system to identify and track all grant-funded equipment or other property classified as "Capital Equipment" items listing all essential information required by the State property management guidelines. The HSO, as part of its oversight responsibility, must systematically monitor all subrecipients with grant-funded equipment and/or property meeting the State-defined criteria of "controlled property" to ensure that subrecipients are in compliance with State and Federal property management requirements.

The *Capital Equipment Admin.* is responsible for maintenance of the HSO equipment tracking system. An HSO CAPITAL EQUIPMENT PHYSICAL INSPECTION REPORT will be sent to applicable subrecipients every second year (the inspection is completed by the Project Manager every other year) to certify the equipment is still in good condition, still being used for the intended purpose and has been inspected.

When the completed equipment update forms are returned, the HSO reviews them to verify that:

- The necessary information has been entered
- The forms are signed
- The property is in operating condition
- The property is being used for traffic safety activities.

The *Project Manager or Capital Equipment Admin* physically verifies the existence and traffic-safety use of each item biennially. This verification is typically completed during onsite monitoring visits.

vi. Tagging

It is recommended that equipment and controlled assets purchased in whole or in part with traffic safety funds, be tagged by the subrecipient to indicate the item was acquired with traffic safety funds. Traffic safety subrecipients would be responsible for developing tagging procedures using their own tags. In addition, for cross-reference audit purposes, the tag number is to be noted on the invoice for each piece of equipment and controlled asset item.

vii. Disposition

Equipment shall be used by the subrecipient in the program or project for which it was acquired as long as needed including after the project or program is no longer supported by Federal funds. Prior written approval must be received from the NHTSA Regional Office by the HSO for the disposition of equipment with a useful life of one year and a value of \$5,000 or more unless the equipment has exceeded its useful life as determined under State law and procedures. See [2 CFR Part 200.313\(e\)](#) for Federal requirements.

Upon completion or termination of a traffic safety grant or sub grant, or if it is determined by the HSO that equipment is no longer needed for the purpose for which it was acquired, the equipment may, at the option of the HSO, become the property of the HSO. Permission for any other disposition must be obtained from HSO before any action can be taken regarding the equipment. Other possible disposition actions include, but are not limited to:

- Transfer from Federal inventory to State inventory
- Declaration of inoperability and relegation to salvage or sale at auction
- Declaration that equipment is damaged beyond repair or salvage
- Sale at auction and return of proceeds to HSO for reconciliation with Federal funding

The NHTSA Regional Office may authorize transferring the title of equipment acquired under 23 USC Chapter 4 to the Federal government or to a third party when the third party is eligible under Federal statute. Any such transfer is required to comply with the conditions of 23 CFR §1200.31 (e). This part also contains instructions for Federally-owned equipment provided to a State or subrecipient.

A Depreciation Guide for the estimated useful life of typical traffic safety equipment has been developed by the HSO and is available to subrecipients on the Colorado Procurement Web Site

See also Chapter IV. Grant Selection and Execution, Section E. NHTSA Equipment Purchase Approval of \$5,000 or More.

H. Subrecipient Travel

i. Subrecipient Travel Expenses

Prior to FY2016 see 2 CFR Part 225.343 and for FY2016 and forward [2 CFR Part 200.474](#) which allow travel costs if considered reasonable and otherwise allowable to the extent such costs do not exceed charges normally allowed by the non-Federal entity in its regular operations as the result of the non-Federal entity's written travel policy. Reimbursement for out-of-state travel expenses by subrecipients requires prior approval of the HSO. To request approval for out-of-state travel, a subrecipient must:

1. Ensure that the grant agreement includes a provision for the travel and that there are sufficient funds to cover the cost of the trip. CDOT out of state travel is planned One year in advance so Grantee out of state travel approvals will be VERY limited as they must be included in the HSO travel plan.
2. If the trip was not included in the grant agreement, it will not be approved. If it is included in the application and the HSO travel plan then the following is required:
 - Purpose of the trip
 - Trip dates
 - Location
 - Registration fee (if applicable)
 - Persons involved and the relationship of the individuals to the particular trip
 - Estimated cost and whether additional funds are needed (travel, per Diem, fees, etc.)
 - Benefit to the grant.

HSO does offer scholarships to pre-approved conferences and events and all grantees are encouraged to apply.

To qualify for approval and reimbursement, the travel must be:

- **Necessary** to assist in the completion of project and program goals and objectives
- **Specific** to the purpose of the grant (for example, an anti-impaired driving conference for a community alcohol project)
- **Appropriate** to the position and responsibility of the individual or individuals traveling (for example, project director to attend a community project seminar)
- **Of direct benefit** to the State, with such benefit unavailable through other means (for example, travel for a national, one-of-a-kind event).

For travel to be considered for approval, the grant must include the following:

Table 9. Requirements for Approval of Travel Under a Grant

Requirement	Explanation
Sufficient travel funds	The grant budget should contain funds for travel. A separate line item for out-of-state travel or specific trips is required
Sufficient funds in "Operating cost" category of budget to cover registration fee, if required	If the conference or out-of-state event requires a registration fee, sufficient funds will need to be budgeted and included in the "Operating cost" category in the approved budget.

Provisions for out-of-state travel	The grant must contain a provision that allows for out-of-state travel upon HSO approval and requires this approval prior to travel and reimbursement. Approval will be rare
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Travel to attend in-state meetings or training not included in the approved grant agreement requires the subrecipient to submit a request for prior written authorization for attendance from the HSO. Subrecipients are eligible for per diem reimbursement of in-state travel costs at the rate of *State approved CONUS rates*

Out of state per diem rates shall be reimbursed either in accordance with the subrecipient's published out of state travel rates, or, the U.S. GSA schedule available online at [GSA Domestic Per Diem Rates](#), whichever is applicable. Upon receiving a travel request in writing, the HSO will send a written response (e-mail or correspondence) approving or denying the trip, with an explanation, to the subrecipient.

To request travel reimbursement, the subrecipient must include:

- The cost of the trip in the applicable claim
- A receipt for any registration fee paid (if registration fee includes certain meals, then those meals should not be claimed again for reimbursement), airfare, lodging, rental car or any other significant costs
- A justification of any unusual costs
- If the activity was an exceptional or unique meeting, conference, etc., a brief trip report (the length and content will be determined by the type of trip involved)

ii. Costs of Advisory Councils

[2 CFR Part 200.422](#) states that costs incurred by advisory councils or committees are unallowable unless authorized by statute, the Federal awarding agency or as an indirect cost where allocable to Federal awards. In a publication entitled, "State Questions from the April 2015 Webinar on the OMB Uniform Guidance" dated August 20, 2015, NHTSA stated it will use this authority to authorize use of an advisory council or committee (which includes task forces and advisory boards) subject to certain conditions and limitations. States shall obtain authorization from the Regional Administrator before vouchering for costs of an advisory council under an approved highway safety plan.

NHTSA will authorize an advisory council if it:

- Supports the State's highway safety program;
- Is an eligible use of the specific grant funds used (e.g., if an advisory council is paid for using Section 154 or 164 grant funds, the task force must be limited to addressing alcohol-impaired driving countermeasures); and
- Is allocable (e.g. if an advisory council is used for both grant purposes and other purposes, the costs must be apportioned accordingly) (see 2 CFR Part 200.405).

Even if an advisory council is authorized by the Regional Administrator, the following costs are not allowable:

- All costs, if the advisory council is required to qualify for the grant by which it is funded (e.g., the costs of a task force required to qualify for a Section 405 grant may not be reimbursed using Section 405 funds, but may be eligible for funding using other NHTSA grant funds;
- General costs of government (2 CFR Part 200.444);
- Travel—and associated costs such as mileage, meals, lodging expenses—for members of an advisory committee who are not SHSO employees (2 CFR Part 200.474 provides that certain travel costs are allowable, but only for employees of a recipient);

- Conference and training costs—including associated lodging, registration, travel, and meals—of Advisory Council members;
- Unreasonable costs (e.g., costs in excess of normal market value or costs inconsistent with typical purchasing policies of the SHSO) (see 2 CFR Part 200.404); and
- Costs that are otherwise unallowable under the Uniform Guidance Cost Principles or under Federal or State statutes, regulations and procedures (see 2 CFR Part 200.403).

I. Indirect Costs

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) or IDCR is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards. Guidelines and illustrations of indirect cost proposals are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office.

Effective with FY 2016, Uniform Guidance issued by the Office of Management and Budget (OMB) became effective for NHTSA funded highway safety grants. Several prior OMB circulars were consolidated into the Uniform Guidance. **The following information on IDCRs applies to FY2016 grants.** For information regarding the requirements for grants prior to FY2016, reference should be made to 2 CFR Part 225, Appendix E; 2 CFR Part 230 (Non Profits) and Circular A-21 (Educational Institutions).

NHTSA has issued written answers to questions regarding implementation of the Uniform Guidance [2 CFR Part 200.331\(a\)\(4\)](#) including IDCRs on March 5, 2015, June 2015 and August 20, 2015. The guidance provide specific interpretations of the rules as they pertain to IDCRs and should be frequently referenced.

Effective with FY2016 grants, a subrecipient that does **not** have a previously established IDCR may either negotiate a rate with the HSO or elect to charge a de minimus rate of 10 percent of modified total direct costs. The HSO may not force or entice the subrecipient without a federally recognized IDCR to accept a rate lower than the de minimus rate. If a subrecipient has a federally negotiated IDCR and requests that rate, the HSO must pay that rate and may not request or require the subrecipient to offer a lower or zero IDCR. The de minimus rate is only applied to the first \$25,000 of each subaward or subcontract (maximum of \$2,500 indirect cost reimbursement).

[Appendix III to Part 200](#) provides additional guidance on indirect (F&A) cost rates for Institutions of Higher Education (IHEs) e.g. Universities and should be consulted for complete information which apply only to IHEs. Universities are allowed to apply the indirect cost rate to a broader range of costs as specifically identified in the regulation and referred to as "modified total direct costs". The modified total direct costs, referred to as "facilities and administration (F&A) costs" may include all salaries and wages, fringe benefits, materials and supplies, services, travel, and sub grants and subcontracts up to the first \$25,000 of each sub grant or subcontract (regardless of the period covered by the sub grant or subcontract). In addition, unless a new rate has been negotiated, there is a 26% rate cap applied to modified total direct costs for Off-Campus - All Programs (non-research related work such as surveys, etc.).

[Appendix IV to Part 200](#) provides additional guidance on IDCs for non-profit organizations and should be consulted for special requirements.

[Appendix VII to Part 200](#) provides additional guidance on IDCs for State and Local Governments and Indian Tribes and should be consulted for special requirements.

The requirement that the HSO must use a federally negotiated IDC applies to **sub awards**; it does not apply to **contracts**. The HSO must use State policies and procedures when procuring property and services via contract. Refer to the NHTSA IDC June 2015 guidance for additional information regarding sub awards vs. contracts. The Uniform Guidance is a Federal regulation on the use of Federal funds; its requirements cannot be changed by a State statute.

The NHTSA Regional Office may be consulted for assistance in verifying federally approved indirect cost rates for subrecipients. The HSO shall require that subrecipients approved by the HSO to receive indirect costs annually provide a current approval letter from the cognizant Federal agency stating the negotiated IDC. Federally approved IDCs are good for the specified time period. An application can be made for a one-time extension of a current negotiated IDC for a period of up to four years, 2 CFR Part 200.414(g). The HSO Project Manager is responsible to annually receive the current IDC document. Some subrecipients may request reimbursement only for direct costs, choosing not to negotiate an IDC or use the de minimus rate. Indirect costs are not readily assignable to the cost objectives specifically benefited. They are incurred for a common or joint purpose benefiting more than one cost objective. Care must be taken to make sure that the indirect costs (now being reported as direct costs) are not part of a central services take down. And the costs must be allocable. Test: Would the activity still exist, and thereby result in the same costs being incurred, if the grant were terminated?

CDOT HSO requires any grantee requesting indirect costs to supply financial documentation to the Program Control Analyst for review and confirmation of the IDC rate. When the agency has not been approved by a cognizant agency (normally in Colorado the CDPHE) it is the HSO's responsibility to scrutinize the requested rate for accuracy and to approve an IDC rate.

Note: the general costs of government are unallowable. The same costs may not be reported as both indirect and direct. The HSO must be consistent and treat the costs the same way as other State agencies - either as direct or indirect.

If a State/local governmental subrecipient is considering changing a position to direct cost federal funding, care must be taken to avoid supplanting – the substitution of Federal funding for a general cost of government.

MATCHING REQUIREMENTS: A HSO may use State funds to pay the IDC and those funds will count toward the 20 percent State share requirements. If State law permits, a subrecipient may use any allowable cost, including indirect costs, for match if the HSO requires cost sharing for a sub award.

STATE SUBRECIPIENTS: A State agency may be paid the State's negotiated rate obtained from a cognizant Federal agency as evidenced by a letter on file. A State agency subrecipient may receive Interagency Services (indirect costs) in lieu of determining the actual indirect costs of the service. Reimbursement is limited to a standard 10 percent and only for direct salary and wage costs excluding overtime, shift premiums and fringe benefits, see [2 CFR Part 200.417](#).

LOCAL and NON-PROFIT SUBRECIPIENTS: Where a local government is not a primary recipient of Federal funds, the HSO may negotiate and/or monitor the subrecipient's indirect cost plan and an annual approval letter approved by a local government containing a certification signed by a government official specifying the year applied, see [2 CFR Part 200.331 \(a\)\(4\)](#). The rate proposal and related documentation must be made available for Federal and State and should be maintained annually in the subrecipient's file. The rate does not have to be federally approved. The HSO cannot routinely grant an IDCR to subrecipients. Each subrecipient must have submitted an IDCR plan for review and acceptance.

Non-profit agencies must also provide an annual approval letter containing a certification signed by the Board of Directors, a CPA or an Executive Director and specifying the year applied and the rate.

The level of risk and exposure should be determining factors when determining the required oversight. NOTE: The responsibility does not end after a signed agreement or certificate is placed in the project file. The HSO must periodically review **AND** monitor sub recipient IDCR plans to provide reasonable assurance that the requirements are being followed. This monitoring should ensure that the plan is current and accurately reflects indirect costs. As a good practice, the involved governmental unit should provide a signed certification letter that the IDCR claimed is "true and correct" similar to what a cognizant Federal agency would receive and "approve".

Negotiating and monitoring an IDCR is a complex and time consuming task. The HSO may (and is encouraged to) use the expertise of their State audit or finance office to review and approve the IDCR plan proposed by a subrecipient. CDPHE can be contacted with IDC questions as they are the State's primary Cognizant agency.

J. Program Income

Many traffic safety grants are intended to provide financial start-up for projects so that they can become self-sustaining. Some projects conduct activities that generate income to cover present and future costs. When subrecipients earn money for their services or products, they may be earning what is defined in the Federal regulations as “program income”. Income earned by the subrecipient with respect to the conduct of the grant (e.g. sale of publications, registration fees, service charges, etc.) must be accounted for fully and applied to project purposes or used to reduce costs.

As defined in [23 CFR Part 1200.34](#) and [2 CFR Part 1201.80](#), program income means gross income earned by the subrecipient directly generated by a program supported activity or earned only as a result of the grant agreement during the period of time between the effective date and the expiration date of the grant award. Such earnings may include but are not limited to:

- Income from fees for services performed
 - Sale of commodities or items fabricated under the grant
 - Usage or rental fees from real or personal property (equipment) acquired with grant funds
 - Payment of principal and interest on loans made with grant funds
 - Donations for car seats
- See 23 CFR §1200.34 (c) for specific exclusions.
 - NOTE: If program income is applied to the program and then generates other income, that income is not considered program income and is not required to be tracked as outlined in this policy.

Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project. See [2 CFR Part 200.307](#) for additional guidance regarding the use and restrictions on program income.

The HSO must approve a subrecipient’s request to earn program income. There must be an indication in the HSO HSP project description that the grant will generate program income and the total income earned must be reported by the HSO in the Annual Report (AR). There also must be a clause in the grant agreement which states that the grant will earn program income and the subrecipient will expend the monies to fulfill the objectives of the program area under which it was generated. Recommended language for grants generating program income is as follows:

- **All program income earned during the grant period shall be retained by the subrecipient and, in accordance with the grant or other agreement, shall be added to Federal funds committed to the project and be used to further eligible program objectives.**
- **Program income that remains unexpended after the grant ends shall continue to be committed to the original grant objectives.**

Program income may be used to meet cost sharing or matching requirements only upon written approval of the NHTSA Regional Office. And such use shall not increase the commitment of Federal funds.

Subrecipients must record the receipt of program income as a part of the grant project transactions in accordance with the grant agreement. Program income should be recorded on the Report of Program Income Received form *[insert form title]* and submitted with the subrecipient claim form.

Subrecipients must also record and report the expenditure and disbursement of program income revenues as a part of the grant transactions in accordance with the grant agreement. HSO requires a certification from all subrecipients who have Program income confirming that income is tracked and applied to costs of the program. The documentation is available upon request of HSO or NHTSA.

K. Supplanting

The replacement of routine and/or existing State or local expenditures with the use of Federal grant funds for the cost of activities that constitute general expenses required to carry out the overall responsibility of a State or local agency or Federally recognized Indian tribal governments is considered to be supplanting and is not allowable. Refer to: [NHTSA Highway Safety Grant Funding Guidance, Part IV, D](#) Program Administration.

Supplanting, including: (a.) replacing routine and/or existing State or local expenditures with the use of Federal grant funds and/or (b.) using Federal grant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of State, local, or Federally-recognized Indian tribal governments

The subrecipient shall not use grant funds to supplant State or local funds, or, other resources that would otherwise have been made available for the grant program.

Example of Supplanting would be if a position created by a grant is filled from within the subrecipient agency the vacancy created by that action must be filled within X number of days. If it is not, then the employee now doing the grant's work can no longer be charged to the grant. The agency was paying for that person/position prior to the grant so they have transferred agency cost to the grant.

L. Subrecipient Training

The cornerstone of a sound traffic safety program is training. CDOT HSO encourages training and updating of skills for all subrecipients. The annual Highway Safety Summit is organized to share best practices, discuss problems with program implementation, create collaborations and support highway safety; we encourage all grantees to attend. In addition Life Savers, Kidz in Motion and other "safety focused" events and training are encouraged.

M. Grant File Maintenance

Sound fiscal and program management of the HSO traffic safety program can be verified through the development and maintenance of complete, accurate and accessible files. The HSO must establish a physical project file for every grant. The contents of the file of record will vary, depending on the type of agreement. The file of record will include any or all of the following:

- Signed Grant Request Form/Application stored on Shared drive
- Technical/cost analysis with application on Shared Drive when applicable
- Pre-award cost (budget) evaluation stored on OTS shared drive
- Original signed agreements and any amendments hard copy filed in rolling files
- Notice to proceed stored on shared drive EDM
- Correspondence in File Folder – email correspondence printed and filed
- Claims with all supporting documentation in File folder
- Progress Reports with all supporting documentation stored on Shared Drive EDM
- Risk Assessment documentation stored on shared drive
- Monitoring reports complete report and notification and follow-up stored on Shared drive
- Pre-approvals in file folder
- Equipment inventory forms kept in Capital Equipment binder hard copy
- Project accomplishment reports stored on shared drive under EDM
- Data collection and trainings conducted
- Indirect cost approval letter stored on shared drive EDM
- Match documentation if required of subrecipients stored hard copy in folder
- Other supporting documentation

Most documents are kept on the shared drive Electronic Data Management (EDM) folder by grant year. The grant folder will contain the checklist which shows the filing decision of each document type and location, The budget including all revisions with Revision Approval, all claims, notes and communications. The document or reference to the document that verifies those legal and administrative actions necessary for the award, implementation, monitoring, and evaluation of each project.

NOTE: The file checklist will indicate the document is E – on the EDM, H – hard copy in the folder or B if the document is kept in both formats.

Public access: All file information is a matter of public record. However, proper file management precludes public access to the files, which may include information of a sensitive nature such as personnel salaries, budget information, and internal correspondence. Access to the file of record will therefore generally be limited to those governmental officials CDOT. *OTS, HSO staff* with responsibility for the submission, operation, and close-out of the projects.

File retention: All contract and grant agreement records must be retained 3 years from the date of final payment, until completion of audits, or until pending litigation has been fully resolved, whichever occurs last. A clause to this effect will be included in each traffic safety grant agreement and contract. The term “records” includes: all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed.

The HSO *Administrative Assistant* is responsible for maintenance of the grant filing system in compliance with this policy. Files should be reconciled annually after the fiscal year close out to assure that all required documents are in place. The contents of the file will vary, depending on the type of agreement, but it will be set up in accordance with the following HSO guidelines:

N. Monitoring

According to 49 CFR Part 18.40 prior to FY2016 and to [2 CFR Part 200.328\(a\)](#) for FY2016 and forward, the HSO is responsible for managing the day-to-day operations of grant and sub grant supported activities. The HSO shall monitor the activities of the subrecipient as necessary to ensure that the sub award is used for authorized purposes; in compliance with Federal statutes, regulations and the terms and conditions of the sub award; and that sub award performance goals are achieved. Monitoring must cover each program, function or activity.

The outcome of the 2 CFR Part 200.331(b) required pre-award risk assessment completed prior to awarding funds and discussed with the subrecipient at the Pre-Work meeting planned, scheduled, and completed by the Project Manager. The Risk Assessment for each subrecipient must be used for purposes of determining the appropriate subrecipient monitoring. Depending upon the pass-through entity's assessment of risk posed by the subrecipient. Other tools available for monitoring of subrecipients and sub-contractors are:

- (1) Performing on-site reviews using the site monitoring checklist of the subrecipient's program operations based on need or funding amount.
- (2) Review of Harvester.com as Part 200.425 Audit review to review audit results
- (3) On-going review of claims and expenditures to confirm the project is on track
- (4) Subrecipient contractor monitoring documents submitted each month with claim
- (5) Review of Personal Activity Reports (PAR) for activities being completed

Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. Include creation of CAP and notification to NHTSA of exceptions
- (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by [2 CFR Part 200.521](#) Management decision.

The HSO monitoring policy is contained on the share drive under EDM PM Guidance. The PM is required to identify any grantee requiring additional monitoring but falls outside the standard monitoring guidelines and to notify the Program Control Analyst, who determines which subrecipients will have on-site monitoring done to maintain control of a project, detect problems, identify changes or training needed, provide data for planning and evaluation and create an opportunity for the HSO to provide technical assistance when needed, see [2 CFR Part 200.331\(d\)](#). It also is a way to encourage accountability on behalf of the subrecipient. Monitoring requires forms to be completed for documentation and maintained in the grant file the HSO document(s) are on the shared drive EDM. Subrecipients requiring monitoring visits are those receiving \$75,000 or greater, new grantees, grantees that receive a High Risk classification, and problem grantees. The GHSA has provided extensive guidance including sample procedures and forms on their web site under Projects, Resources for States. See [GHSA Monitoring Advisory](#).

ii. Types of Monitoring

The HSO will utilize the following types of monitoring:

- Ongoing contact with the subrecipient through phone calls, meetings, email and correspondence
- Onsite monitoring reviews of project operations, management, and financial systems
- Periodic review of progress reports
- On-going review and approval of claims

iii. Major Elements of Monitoring Procedures

There are several important elements to consider when determining what level of monitoring is appropriate for a specific subrecipient. These elements include:

- Frequency of the monitoring
- Items to cover
- Procedures to follow
- Persons to involve
- Documentation to complete
- Evidence of present or potential problems

Answering the questions of how often, who to involve, and how to monitor depends on the following criteria:

Table 10. Monitoring Criteria

Criteria	Explanation
The length and complexity of the project	The longer and more complex the project, the more frequent and formal the monitoring should be
The capabilities and past experience with the subrecipient	Lower capabilities and/or lack of experience with the subrecipient normally require more frequent and formal monitoring
Any indications of problems, lack of performance, or change in direction	The more problems and changes, the more frequent and formal monitoring should be

iv. Ongoing Monitoring

Ongoing monitoring occurs every time a *Project Manager* holds a discussion or communicates with a subrecipient project director through phone calls, meetings, email or correspondence.

- **Frequency:** Ongoing monitoring can occur daily, weekly, or monthly. Weekly phone calls may be appropriate if there are problems. Monthly status meetings might be needed for complex projects. Some form of ongoing monitoring shall be conducted by the *Project Manager* with each subrecipient in their program area at least monthly. The HSO *Program Control Analyst* shall ensure that all required on-going monitoring activity is completed by the *Project Manager* within the Federal fiscal year in compliance with the HSO policy.
- **Problems:** If problems are identified, the situation could require a meeting between the subrecipient and the *Program Manager(s)* or even the scheduling of an onsite monitoring visit (See

Sub Section v. Onsite Monitoring, below. Reference should also be made to Section O. Resolution of Monitoring Findings.). The determination of the appropriate action to be taken should be made by the *Program Manager(s)* and the HSO *Director*. Any additional monitoring requirements will be documented in the grant file.

- **Approach:** The *Project Manager* will rely on regular correspondence and the annual onsite visit to handle routine project issues. The subrecipient's project director should monitor work under the agreement with sufficient frequency to be sure that the work is progressing according to the plan and to quickly identify any major problems or variances from the plan. Careful monitoring of work is the best method of assuring compliance with the grant and preventing disputes.
- **Items:** Any item related to the progress and management of the grant should be covered in ongoing monitoring. Although usually limited to the progress of activities, ongoing monitoring should also cover budget issues, problems encountered, procurement procedures, projected changes, etc.
- **Procedures:** The *Program Control Analyst* will routinely set aside time to call or meet with subrecipient personnel. The *Project Manager* should make a list of issues or questions to cover prior to the contact. The *Program Control Analyst* should ensure that all issues are covered or that a deadline has been agreed upon to resolve any issues. Routine meetings will be specified in the grant agreement as necessary.
- **Participants:** Ongoing monitoring can involve any grant personnel with management or oversight responsibility for the project. In addition to the *Project Manager* this may include a financial officer and any other key project personnel.
- **Documentation:** Copies of all correspondence are to be kept in the HSO grant file. A note to the file should be provided to document all meetings and discussions using an *On- Site Monitoring* form. This documentation becomes essential during the course of the project in case of changes in the project activities, budget, or personnel. The documentation is also extremely important at the end of the project as it is used to evaluate grant and subrecipient performance.

v. Onsite Monitoring

Calls, letters, and occasional meetings are generally not sufficient to adequately monitor a project, particularly those that are more complex. In some cases, a *Program Control Analyst* will need to go onsite to review project status, documents, and subrecipient management and financial systems. This type of in-depth review is called "onsite monitoring" because the *Program Control Analyst* must actually go to the location of the project and the offices of the subrecipient to conduct this monitoring. The need for an onsite monitoring may also be identified by the *Project Manager* during ongoing monitoring activity. Regular and close communication between the program and fiscal HSO staff is encouraged to assist in the early detection of minor and major problems including fraud.

- **Frequency:** The *Project Manager* shall conduct at least one onsite monitoring visit per year for subrecipients meeting the following criteria:
 - ✓ Total cost of the grant agreement exceeds \$75,000
 - ✓ Grant agreement includes reimbursement of salaries
 - ✓ Subrecipient has identified a new project director
 - ✓ Subrecipient has a past history of poor performance
 - ✓ A recent ongoing monitoring identified a potential problem
 - ✓ Subrecipient is new to the HSO grant family

The *PCA* shall identify the list of subrecipients to be monitored each fiscal year using the above criteria and develop a proposed Monitoring Schedule for the review and approval of the HSO Program Manager(s)

- **Items to Review:** An onsite monitoring includes an examination of all issues related to the effective and efficient operation of the project. The following, though not all-inclusive, are the most important items to review:
 - ✓ Progress toward achievement of objectives and performance targets
 - ✓ Adherence to milestones and action plan
 - ✓ Resources are consistent with agency mission
 - ✓ Programs and resources are protected from waste, fraud and mismanagement
 - ✓ Laws and regulations are followed
 - ✓ Reliable and timely information is obtained, maintained, reported and used for decision making
 - ✓ Status of budget
 - ✓ Accounting records
 - ✓ Personnel records and time sheets
 - ✓ Any necessary pre-approvals (such as, equipment or out of state travel)
 - ✓ Supporting documentation (signature authority letter, verification of costs, invoices, subcontracts, etc.)
 - ✓ Documented Policies and Procedures related to purchasing and employees
 - ✓ Equipment purchased or leased as part of the project i.e., inventory and inspect to ensure that it is being used for the purpose for which it was bought or leased under the grant agreement
- **Advance Preparation:** Prior to the onsite monitoring, the *Project Manager* should:
 - ✓ Plan each site visit well in advance (preferably three to four weeks)
 - ✓ Carefully review the grant agreement to determine which activities in the action plan should have been accomplished by the site monitoring date
 - ✓ Note any special terms or conditions that need monitoring
 - ✓ Review all correspondence, performance reports, and requests for claim reimbursement submitted prior to the visit
 - ✓ Set appointments with the subrecipient's project staff
 - ✓ Provide to the subrecipient a list of the types of documents to be reviewed, including time sheets, purchase vouchers, and forms
 - ✓ Note items requiring follow-up from previous monitoring visits or ongoing monitoring
- **Review of Source Documents:** The *Project Manager* will review source documents and evidence of task completion depending upon the activities to be conducted and the types of costs involved in the project. Examples of source documents to be included are shown in the following table:

Table 11. Source Documents Reviewed During Onsite Monitoring

Document Type	Notes
Time sheets	Time sheets, pay records, payroll registers, and possibly personnel (salary rate) records must be reviewed to determine that salary and wage costs are fully supported. Time sheets must account for 100 percent of time, regardless of the amount charged to a grant. If only a percent of time is to be reimbursed, then the prorated amount must be correct.
Fringe benefits	If reimbursable, fringe benefits (such as health insurance, pension plan, etc.) must correspond to the amount or percent eligible.
Travel costs	Only travel directly associated with the grant may be reimbursed. This might include, for example, travel to meetings called by the HSO.

Document Type	Notes
Claims and payments	Only those costs in the approved budget may be reimbursed. Any discounts must be credited; the discounted amount would be reimbursable. Any payments must be directly attributable to the grant costs. Include a review of the accounting system, the documented policies and procedures, General Ledger and payroll interface to the GL

In the case of a high volume of documents, a sampling methodology may be used, either randomly or selectively (such as, every fifth voucher or every other time sheet). The purpose of the financial document review is to ensure that costs claimed reconcile to the documentation.

Payment of overtime, especially in law enforcement grants, requires special attention by the HSO during monitoring. The subrecipient's processes and procedures for scheduling, approval, tracking, accounting and supervision of overtime should be examined to ensure that there are in place adequate checks, balances and safeguards to validate all claims. See Section N. Fraud Prevention.

- Review of Project Status: The *PM* will review the status of project activities. Examples of evidence of progress toward task completion might include:
 - ✓ Attendance rosters for training projects or events
 - ✓ Citations and warnings for enforcement projects
 - ✓ Newspaper clippings of events for public information activities
 - ✓ Analyses and reports for data or problem identification projects
 - ✓ Survey or questionnaire results
 - ✓ Personnel training records
- Review of Budget Requirements: The *PM* will review the records for adherence to the budget requirements, including, but not limited to, determining whether:
 - ✓ Expenditures are on schedule
 - ✓ Costs are in the approved budget or any subsequent amendment
 - ✓ Any necessary prior approvals for travel, equipment purchases, or changes have been obtained
 - ✓ Appropriate procedures have been followed for all expenditures
 - ✓ Appropriate supporting documentation is available and filed
 - ✓ Reimbursements are up to date
- Direct Observations: Although not required, onsite monitoring may also include direct observation of activities performed. These might include attendance or participation in a:
 - ✓ Meeting, workshop or training course
 - ✓ Press conference or other media event
 - ✓ Presentation to a school, organization, or civic club
 - ✓ Task force or committee meeting
 - ✓ Shift of overtime enforcement
 - ✓ Local Fairs or Expositions where the grantee has a booth
- Documentation: The *PM* will complete the required onsite HSO monitoring record form. The *PM* will sign the form according to the instructions provided and attach copies of all appropriate records and

other documents reviewed during the visit. The checklist, with attachments, will be placed in the subrecipient file at the HSO on the shared drive EDM.

- Subrecipient notification-compliance: If no corrective action is necessary, the subrecipient shall be notified of the results of the onsite monitoring by letter. The subrecipient may receive a copy of the Monitoring Form upon request.
- Subrecipient notification-noncompliance: If corrective action is needed, reference should be made to Section O. Resolution of Monitoring Findings. The determination of the appropriate action will be made by the *PCA* and the HSO *Program manager or administrator*]. Any additional monitoring requirements will be documented in the grant file.

Table 12. Onsite Monitoring Warning Signs

Late project start	Frequent personnel changes
Low activity level	Revisions to the grant
Slow expenditure rate	No records or inconclusive records
Late reports	Evasive answers
Low morale/poor attitude	Submission of questionable claims or back-up documentation
Incorrect claims	Failure to obtain required HSO approvals

O. Fraud Prevention

Investigations by the federal Office of the Inspector General (OIG) and NHTSA have detected more cases of fraud involving subrecipients receiving federal highway safety grant funds. A comprehensive monitoring program is one of the most effective ways to prevent fraud. Such a program includes the elements outlined in Section N. Monitoring Advisory. Also essential is sufficient management oversight to ensure that the monitoring program is fully implemented. Onsite monitoring of grants which include personnel services is essential. The following information has been compiled to assist the HSO in communicating with subrecipients, implementing safeguards, monitoring and taking action when fraud is detected.

NOTE: Personnel services grants – including law enforcement overtime typically associated with Selective Traffic Enforcement program (STEP) grants and grants containing subcontracts – have been identified as high risk for fraud. Such grants should require strong internal supervision by the subrecipient and extra attention by the HSO.

i. Special Attention for High Risk Grants and Activities

- Identify law enforcement and other types of grants which contain claims for personnel services as requiring special attention to detect fraud.
- Closely examine and compare personnel log sheets to actual activity documentation (such as date and time worked as recorded on paper tickets and time reports) to ensure that only actual time worked on grant-funded, approved activities is submitted for reimbursement
- Ensure that only approved hourly rates for sub-contractors and vendors are charged to the grant and that legitimate original invoices from sub-contractors and vendors for actual work completed are available for examination

ii. Recognition of Risk Factors for Personnel Services Grants

- Lack of communication of specific clear benchmarks, goals and deliverables for enforcement and other contracts
- Lack of training for supervisors and officers to emphasize unique conditions of grant programs
- Lack of supervision of grant procedures during overtime patrols, time and attendance quality checks and use of paper forms

iii. Incorporation of Prevention Strategies into HSO Policies and Monitoring Practices

- Provide specific pre-award guidance to subrecipients to explain the federal requirements and discuss the need for their own internal control systems
- Require subrecipients to submit their policy/internal controls to the HSO to certify compliance with generally accepted practices
 - ✓ Do supervisors sign off on completed work?
 - ✓ Do officers check in and out of shifts with a supervisor or dispatch?
 - ✓ Do supervisors conduct reviews and spot checks of officer records?
 - ✓ Are work schedules prepared in advance?
 - ✓ Do managers have access to global positioning system (GPS) records or other location records for patrol vehicles?
- Review original documents (not copies) at the subrecipient or third party sub contract level

- ✓ Could an officer falsify elements like date and time of the violation?
- ✓ Are records retained for review?
- When conducting onsite monitoring, over sample vouchers
- Establish clear performance benchmarks and expectations
- Develop an action plan to follow when possible fraud is detected
- Use State auditors to randomly audit selected subrecipients and to follow up fraud allegations for the HSO
- Document and disseminate information on identified cases of fraud and the consequences to law enforcement officers, project personnel and their departments as a deterrent

iv. Preventive Oversight for Law Enforcement Agencies

- Build supervision into the grant project
- Develop and implement an enforcement or project action plan based on the data
- Utilize GPS units on patrol vehicles
- Use log sheets or personal activity reports (PARs) to verify actual hours worked on shifts (see the OIG Information Memo [OIG Memo 5-21-12 on STEP Fraud](#) Attachment 4 for a sample blank log sheet to gather the information needed to verify actual hours worked in a shift)
- Providing training including refresher roll call reviews of expectations
 - ✓ Are officers informed about requirements and expectations?
 - ✓ Are veteran officers asked to complete refresher training?
 - ✓ Do managers have adequate training on grant administration?
 - ✓ Is there any emphasis placed on detecting fraud or conducting periodic reviews?
 - ✓ Are training records maintained?
- Review the type of ticketing system – automated systems are less likely to be subject to fraudulent activities than hand written paper citations

v. Utilization of Federal and Other Training Resources

- Identify and incorporate into HSO procedures the “risk level decision tree” available from NHTSA Regional Offices
- Review and use as the basis for HSO and subrecipient training:
 - ✓ The OIG Information Memo [OIG Memo 5-21-12 on STEP Fraud](#)
 - ✓ The NHTSA/GHSA 2012 Webinar: Strategies to Prevent Fraud and Misuse of Federal Funds
 - ✓ HSO best practices such as, the Michigan Grant Management Quarterly Webinar for Subrecipients Fiscal Information and You
- Review and become familiar with the applicable federal regulations: Noncompliance with accepted standards for financial management systems, see [2 CFR Part 200.302](#); and, OMB Circular A-123 requirements that programs be protected from waste, fraud and mismanagement

P. Resolution of Monitoring Findings

This section describes the action which will be taken by the HSO in response to the findings of subrecipient monitoring.

i. Minor Findings

The PM shall notify the subrecipient's project director in writing using the monitoring follow-up letter upon any initial indication of minor discrepancies or errors in reporting, project implementation, or accounting. Examples of minor discrepancies include:

- Delays in activities that will not adversely affect the timely completion of the grant
- Typographical errors in an invoice that would not affect the amount reimbursed

A written notification of any finding must include the following information:

- A detailed description of the finding
- A description of any actions or options the subrecipient may make in response to the finding
- A date by which the subrecipient should implement the recommended action or advise the HSO of a proposed alternative or both. Under most circumstances, this date should be no more than 30 days after written notification by the HSO.

Copies of this correspondence, including copies of e-mail exchanges, are to be included in the grant file.

ii. Repeated Incidence/More Serious Findings

Upon a repeated incidence of a minor finding or a more serious error or discrepancy, the *PM* will request through the *grant program manager* that a notice in writing, be sent to the subrecipient with the HSO *Administrator* approval and signature. Examples of more serious errors or discrepancies include:

- Untimely submission or omission of required reports or invoices including required supporting documentation
- Invoice for an unallowable or unapproved item
- Typographical or mathematical error that affects the amount of reimbursement
- Actions taken without prior approval when the grant stipulated prior approval
- Significant delay in achievement of objectives and performance goals
- Sub-par spending level (20 percent or more of the total funds remaining at the end of the previously funded grant year)

In addition to the information required for a minor finding or first notification, the "Notice" letter will include any potential ramifications or imposed requirements. These remedies might include temporary delays in reimbursement, modification of the agreement including the reduction of funding or cancellation of the project agreement.

iii. Significant Findings Requiring Immediate Action

In the event there are serious problems or issues identified, the *Program Control Analyst* will immediately notify the HSO Administrator to determine the appropriate course of action. If serious financial problems or fraud are identified, the HSO may request the assistance of another State agency or that a full audit be completed by an outside auditor before taking further action. Consideration should also be given to notifying the Regional Administrator.

Significant findings are to be addressed immediately by a letter to the subrecipient with the HSO's *program manager* approval and signature. Significant findings include, for example:

- Work not being performed as written in the grant agreement
- Delays that are likely to significantly impact the successful implementation of the grant
- Indication of fraud or other illegal activity associated with management or implementation of a project
- Continuing delays or omissions in the submission of required documents
- Consistent failure to abide by a provision in the grant agreement.

If fraud is detected, the HSO shall determine whether the State/Local District Attorney, State Auditor General/Inspector General or U.S. DOT Office of the Inspector General (1 800 424-9071 hotline@oig.dot.gov) should be contacted for consultation and the possible initiation of criminal action.

iv. Resolution of Repeated, More Serious and Significant Findings

Immediate action to correct the problem will be negotiated by the HSO Administrator and the subrecipient, and implemented by the subrecipient. The subrecipient will be required to submit a Corrective Action Plan (CAP) to the HSO which details how and when the identified deficiencies will be addressed and will be signed as appropriate by the parties involved. A date for an onsite follow-up review will be established and corrective action will be monitored by the HSO for compliance.

In addition, the following statement may be included in the CAP:

"The HSO has determined that the subrecipient is a 'Grantee on Notice' during Federal fiscal year (XXXX) due to the following reasons: (list applicable reason). Your agency is informed that if similar failures to meet the grant requirements occur in the current fiscal year, the HSO may modify the agreement including the withholding of grant reimbursement, suspension of all or part of the grant, or cancellation of the grant as provided by [2 CFR Part 200.338](#). The HSO will work with your agency wherever possible to assist your agency in fulfilling the requirements of the grant agreement."

If the problems or issues cannot or have not been resolved, the following actions may be imposed by the HSO consistent with 2 CFR Part 200.338 as described in [2 CFR Part 207](#) Specific conditions:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity. Requires the HSO Administrator to provide written notice to the subrecipient's Project Director detailing the specific problem or issue; the action required to correct the situation; and applicable penalty for failure to make the correction(s).
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award. (A last-resort action to be used only **when** a subrecipient or any recipient of Federal funds under the grant fails to fulfill the terms and conditions of

the grant agreement in a timely and proper manner, refuses to abide by specific terms or conditions, or violates the terms of a Grant Agreement.) Requires the HSO Administrator to provide written notice to the subrecipient's Project Director at least 30 days before effective date of the cancellation and shall include:

- Effective date of the grant cancellation
- Specific terms and/or conditions violated
- Requirement to forward to the HSO all grant-related materials, whether or not completed
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). The enforcement remedies, including suspension and termination, do not preclude the subrecipient from being subject to "Debarment and Suspension" under E.O. 12549 [Executive Order 12549 - Debarment and Suspension](#). In addition to this review, the Federal awarding agency must comply with the guidelines on government-wide suspension and debarment in 2 CFR Part 180, and must require non-Federal entities to comply with these provisions. These provisions restrict Federal awards, sub awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.
- In taking an enforcement action, the HSO will provide the subrecipient an opportunity for such hearing, appeal, or other administrative proceeding to which the subrecipient is entitled under any statute or regulation applicable to the action involved. See [2 CFR Part 341](#).
- Costs to the non-Federal entity resulting from obligations incurred by the non-Federal entity during a suspension or after termination of a Federal award or sub award are not allowable unless the Federal awarding agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable if:
 - (a) The costs result from obligations which were properly incurred by the non-Federal entity before the effective date of suspension or termination, are not in anticipation of it; and
 - (b) The costs would be allowable if the Federal award was not suspended or expired normally at the end of the period of performance in which the termination takes effect. [See 2 CFR Part 200.342](#).

Equipment purchased with grant funds shall revert to the HSO for disposition. Copies of any action involving suspension or cancellation will also be forwarded to the Regional Administrator of the NHTSA Regional Office.

v. Removal of "Grantee on Notice" status

A subrecipient designated as a "Grantee on Notice" will remain as such until the HSO has determined through a review that all deficiencies have been corrected. If all deficiencies are found by the HSO to have been corrected, the subrecipient will be removed from "Grantee on Notice" status at the beginning of the next fiscal year. If one or more of the initial reasons for designating the subrecipient as a "Grantee on Notice" is found to still exist any time during the fiscal year, the subrecipient will remain as a "Grantee on Notice". If a subrecipient is designated as a "Grantee on Notice" for a duration of six months or more during the fiscal year, the HSO will automatically place any requests by the subrecipient for funding in the next fiscal year within the "not to be funded" category.

Q. Monitoring Calendar

This section provides a table which illustrates the twelve-month calendar for the HSO monitoring process.

Table 13. HSO Monitoring Calendar based on Federal Grant Year

Month	Activity	Responsible HSO Staff
<i>For new fiscal year:</i> September (or earlier – must be pre award)	<ul style="list-style-type: none"> Conduct pre-award risk assessment 	<i>PM</i> with approval of <i>PCA</i>
October	<ul style="list-style-type: none"> Select grants for onsite monitoring based on HSO criteria and issue monitoring schedule 	<i>PCA</i> with approval of <i>Program manager</i>
October – September	<ul style="list-style-type: none"> Complete ongoing monitoring at least once each month for each subrecipient 	<i>PM</i>
November – July	<ul style="list-style-type: none"> Conduct onsite monitoring in accordance with monitoring schedule 	<i>PM and OCA</i>
November – July	<ul style="list-style-type: none"> Periodically track completion of onsite monitoring by <i>PCA</i> Review completed onsite-monitoring reports Generate notification to subrecipients with positive findings Determine corrective action if any to resolve negative findings Initiate, track and assure completion of corrective action including notification letters 	<i>PM</i>
<i>For prior fiscal year:</i> October	<ul style="list-style-type: none"> Review onsite monitoring schedule to ensure completion of monitoring of all selected grants Determine whether any follow up action is necessary, and flag any subrecipient with pending resolution of findings Issue a report for the fiscal year on the status of the completion of the HSO onsite monitoring schedule and maintain the report in the HSO file 	<i>PCA and/or Program Manager</i>

R. Appeals

A proposed grant applicant or a subrecipient may appeal the following decisions by the HSO:

- **Denial of a proposed grant application**
- **Withholding payment of a claim**
- **Requiring a refund of grant money**
- **Suspension or cancellation of a grant or part of a grant**

The appellant shall submit, within 15 days after receipt of notification of the decision, a written request for appeal to meet with the HSO *Director* and other appropriate staff to present any documentation in support of the appellant. Written notice of the decision of the HSO *Director* will be sent to the applicant or subrecipient within thirty days of the decision.

If the appellant wishes to make a further appeal, the appellant shall submit, within 15 days after receipt of notification of the HSO 'Directors decision, a written request to meet with the *CDOT Executive Director or NHTSA region manager* to present any documentation in support of the appellant. Written notice of that decision will be sent to the subrecipient within thirty days of the decision.

For requirements of applicable Federal regulations for appeals, see also Section P. Resolution of Monitoring Findings.

Chapter VI

Fiscal Procedures

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VI. Fiscal Procedures**A. In-house Grant Payment and Federal Reimbursement Voucher Process****i. Review Process**

The HSO PM reviews claims submitted by subrecipients for reimbursement of grant related expenses. After review and verification, the HSO PCA conducts a financial review of the claim and, upon finding it accurate and appropriate, proceeds to submit the claim to the Department's business office system for payment. The business office staff performs certain required accounting actions in the State SAP accounting system and the Federal GTS system to assist with subrecipient payment and the HSO Federal reimbursement voucher submission. A similar procedure is used for the payment of State agency grant agreements. The following tables, Table 14. HSO Subrecipient Claim Review and GTS Process and Table 15. State Agency Claim Reimbursement Process, explain the steps involved in the review and processing of subrecipient and State agency claims. The tables are followed by additional information regarding these responsibilities.

Note: It is imperative that the HSO assign a high priority to processing claims in order for reimbursement payments to be made in a timely manner. The HSO tracks turnaround time from date of receipt to date of payment to ensure timeliness of claims processing.

Note: Certain claims will not be approved for payment unless a Progress Report(quarterly) has been received from the subrecipient for the corresponding time period. Final claims will **not** be approved for payment without the receipt of the Progress Report for the final period of the grant and the Final Report (See Chapter IV. Grant Selection and Execution, Section F. Reporting Requirements).

Table 14. HSO Subrecipient Claim Review and GTS* Process

Responsible Party	Action
Project Manager	<ul style="list-style-type: none"> Opens mail and date stamps claim and Progress Report
Project Manager	<ul style="list-style-type: none"> Reviews claim for grant compliance. Resolves any issues, signs and dates. Creates the ML81N to pay the claim
PCA	<ul style="list-style-type: none"> Reviews claim and submits to the Business Office for processing in SAP.
CDOT Business Office	<ul style="list-style-type: none"> Approves claim, processes payment in SAP and submits for posting. Business Manager posts claim and returns documents to HSO
Grant Accountant	<ul style="list-style-type: none"> Reviews SAP, creates payment detail documents

Grant Accountant GA	<ul style="list-style-type: none"> During the second week of each month runs an audit trail (copy of Manually Billed Projects for all HSO projects) and prints hard copies for the time period to reconcile the State ledger codes for the State projects from the GA also checks for older expenditures which have not yet been billed through GTS. If resolved, they are included in the current bill After reconciliation of the HSO billing spreadsheet, GA accesses the GTS and inputs financial billing data by Federal grant number. A GTS transaction report is sent by GA to the HSO for review and approval. If unable to bill an item, exceptions are noted. GA also enters State/local match into GTS.
Program Control Analyst PCA & GA	<ul style="list-style-type: none"> Reviews GA GTS report and verifies entries GA Reviews any GTS "error" messages and resolves GA Posts and authorizes the voucher using electronic signature authority Annually the GAEnters federally required benefit to locals (40 percent) See Chapter II, Section J. Benefit to Locals
Administration and Support section/HSO	<p>Note:</p> <ul style="list-style-type: none"> At the beginning of each fiscal year: <ol style="list-style-type: none"> 1) The HSO Manager supplies the grant dollar amounts for the HSO the Business Office for creation in SAP and to the Grant Accounting System including match amounts and Project Development Authority codes. 2) The Grant Accountant enters the Federal obligation information into GTS from the HS-217 Cost Summary for the current fiscal year.

* See Section B. Federal Grant Tracking System for additional information on GTS.

Table 15. State Agency Claim Reimbursement Process

Subrecipient	Generates required reimbursement form on line and sends to HSO
PM	<ul style="list-style-type: none"> Prints hard copy of form, date stamps and codes document
PM	<ul style="list-style-type: none"> Reviews/resolves any issues with form on file and subrecipient's Monthly Report Checks for agreement with form on file Resolves any issues, signs "ok to pay" and dates, sends to PCA
Accounting Tech	<ul style="list-style-type: none"> Verifies claim, available funds and makes Sends original form to Business Office for payment
Business Office/Finance	<ul style="list-style-type: none"> Issues electronic transfer payment – enters into ledger system Original form filed in OTS/HSO Record of electronic transaction created and kept in SAP

ii. Entry of State/Local Matching Share

In addition to actual costs to be reimbursed to the State, federally required match funds must be calculated annually by the HSO and entered into the GTS. This calculation determines the total funds, Federal and State match, which have been spent for all the National Highway Traffic Safety Administration (NHTSA) funding sources.

The HSO process, which ensures that Federal program match information entered into GTS for all traffic safety grants, is based on the actual program match amounts calculated by the HSO and reflected on subrecipient vouchers submitted to the HSO for reimbursement. The HSO shall ensure the actual program match amounts reported by subrecipients and reflected in the GTS are fully supported and documented in the individual project files. If in fact such program match amounts are insufficient to meet overall program match requirements, then the HSO shall arrange for additional sources of legitimate program match to eliminate the shortfall.

The HSO shall ensure that subrecipients clearly understand the program matching requirements of the funding source for their project and that the amount of match required may be substantially higher than the amount of Federal funds they receive for expenditure. This is addressed in the Pre-Work meeting.

The entry of required State/local match information into GTS should be completed at the beginning of the Federal fiscal year and then rechecked at fiscal year closeout. See Section C. Matching Funds.

iii. Reporting of Benefit to Locals

Local benefit expenditures should be reported in GTS by March 31 each year AND shall be reconciled at closeout to ensure full compliance when preparing the final voucher. The 40% minimum need not be met by March 31, but whatever local benefit that has been expended by that date should be reported. If the percentage appears to be significantly low on March 31, the HSO should do further research to determine the cause – i.e. slow vouchering by locals or insufficient number or dollar amount of local sub grants. See [23 CFR Part 1200.23 \(a\) \(3\)](#). Current local benefit source documentation must be readily available on site including evidence of an active local voice in the initiation, development and implementation of the programs when sub grants are directed to State agencies and local benefit is claimed. See [23 CFR Part 1200 Appendix E-Participation by Political Subdivisions](#). See also Chapter II. Planning, Section M. Benefit to Locals.

iv. Submission of Federal Reimbursement Voucher

The *Grant Accountant* submit a Federal reimbursement voucher to NHTSA monthly and no later than the 15 working days after the end of each month. Where a State receives funds by electronic transfer at an annualized rate of one million dollars or more, vouchers shall be submitted on a monthly basis no later than 15 working days after the end of each month. A final voucher shall be submitted no later than 90 days after the end of the fiscal year and all unexpended balances shall be carried forward to the current fiscal year.

There is no requirement that the monthly voucher requirement pertain to only “new” funding; only that vouchering must be conducted monthly.

At a minimum, each voucher shall provide the following information for expenses claimed in each program area:

- a) Program Area for which expenses were incurred and an itemization of project numbers and amount of Federal funds expended for each project for which reimbursement is being sought
- b) Federal funds obligated
- c) Amount of Federal funds allocated to local benefit (provided no less than midyear (by March 31) and with the final voucher)
- d) Cumulative Total Cost to Date
- e) Cumulative Federal Funds Expended
- f) Previous Amount Claimed
- g) Amount Claimed This Period
- h) Matching rate (or special matching write off used, i.e. sliding scale rate authorized under 23 USC 120).

Copies of each project agreement for which expenses are being claimed under the voucher (and supporting documentation for the vouchers) shall be made promptly available for review by the NHTSA Regional Office upon request. Each project agreement shall bear the project number to allow the NHTSA Regional Office to match the voucher to the corresponding activity.

The HSO shall work with the various Department divisions responsible for the State and Federal accounting and reimbursement process to ensure that Federal reimbursement vouchers are complete, accurate and in full compliance with the requirements contained in 23 CFR §1200.33 (a) - (e).

v. Federal Reimbursement Rejection

Failure to provide the required information shall result in rejection of the voucher. Failure to meet the stated deadlines may result in delayed reimbursement. Vouchers that request reimbursement for projects whose project numbers or amounts claimed do not match the list of projects (submitted by the HSO) or exceed the estimated amount of Federal funds provided under 23 CFR §1200.11 (e), or exceed the allocation of funds to a program area in the HS 217 shall be rejected, in whole or in part, until an amended list of projects and/or estimated amount of Federal funds and an amended HS 217 is submitted to and approved by the NHTSA Regional Office in accordance with 23 CFR §1200.32.

B. Federal Grant Tracking System (GTS)

The GTS is a Windows-based data base program developed by NHTSA to assist the States in the financial management of Federal grants. GTS was designed primarily to automate the financial information process, produce the required Federal financial documents at the program area level and electronically transmit this information to NHTSA's accounting department.

i. Types of GTS Transactions

GTS handles five major types of automated transactions. Each transaction type depends on the order of completion, validity, and accuracy. These five transaction types are:

- Obligation Limitation
- Obligation Cost Summary
- Advance of Funds
- Advance Reduction
- Voucher

Explanations of each of these transaction types follow.

- Obligation Limitation – The "Obligation Limitation" establishes the amount of federal funds available for expenditure under NHTSA 402 and designated incentive grant funds. The amounts of these funds available for the "Obligation Limitation" are downloaded into GTS.
- Obligation Cost Summary - The "Obligation Cost Summary" produces financial documents that obligate funds for the federal computerized accounting system. The overall process involves entering obligations for the current year and carry-forward funds into the GTS system. All entered information is verified and posted. After all of the postings have been processed; GTS automatically sends an electronic approved copy to the NHTSA Regional Office and to the Federal Accounting System.
- Advance of Funds - The advance request transaction allows the state to request federal funds electronically and prior to submission of a voucher. Prior to requesting federal funds or an advance request, federal funds must be obligated.
- Advance Reduction - Only States using the advance method of reimbursement with an outstanding advance balance can complete this transaction. Advance reduction transactions result when a State issues a check to NHTSA for either: reducing an outstanding advance balance *or* paying NHTSA an amount owed that resulted from an audit finding. Paying an amount that resulted from an audit finding can also be accomplished through a "Voucher Reduction" transaction.
- Voucher - Voucher transactions allow the State to process vouchers. Expenditures of funds must have a voucher at the same level that the funds were obligated - at the program, project, task, or sub-task level. Voucher reductions can also be entered just like a regular progress voucher, except that the amount entered will be a credit entry only.

Note: As of January 1999, the Federal voucher is not able to be imported to the GTS.

ii. GTS Reports

A variety of GTS reports are available to streamline the State's fiscal management process and reduce the workload associated with meeting Federal reporting requirements. These reports are:

- **HSP Transactions Report** - This report itemizes all Highway Safety Program (HSP) transactions, provides detailed information on Federal funds, and assists in determining data entry errors.
- **HSP Cost Summary Report** - This report reflects detailed information by project, program area, specific funding sources sub-totaled by NHTSA fund sections. The format of this report replicates the Federal HS-217 Cost Summary Form and shows the increase or decrease for each program area. This report can be printed in detail, showing each project or task, or summarized by program level amounts only.
- **HSP Approved Program Amounts Report** - This report details the same information as the HSP Cost Summary report but does not report the decrease or increase for each program area.
- **Obligated Programs Amount Report** - This report itemizes all detailed information by project, program area, NHTSA sections or other obligations. It also shows the amount of current and carry-forward funds.
- **Highway Safety Program Cost Summary** - This report is strictly for Obligation purposes. The report format replicates the HS-217 Cost Summary Form and shows the increase or decrease for each program area. It can be printed in detail to reflect each project or task, or summarized to show program level amounts only.
- **Voucher Transactions Reports** - This report details all voucher transactions.
- **Status of Obligations and Expenditures** - This report is for information purposes only and shows the unobligated and unexpended amounts for each program area.
- **Status of Current and Carry Forward Funds** - This report separates the obligations, expenditures, and unexpended funds by current fiscal year and by carry-forward (from previous years). This report also shows Federal share-to-local benefit, and State and local expenditures.

iii. Electronic Transfer of Funds

Within 7-10 business days of approval of the voucher by the NHTSA Regional Office, funds are electronically transferred from NHTSA to the State Treasury.

C. Matching Funds

This section provides information on the percentage of match funds which must be provided by the HSO to qualify for certain Federal funding programs.

Match is defined as State and local funds that are expended in support of other qualifying traffic safety programs and have not been utilized by another Federal, State or local agency as matching funds for a separate Federal project.

[NOTE: If the HSO requires that match be provided by subrecipients, the following paragraph should be utilized.]

Subrecipient match: The HSO shall ensure the actual program match amounts reported by subrecipients and reflected in the GTS are fully supported and documented in the individual project files. If in fact such program match amounts are insufficient to meet overall program match requirements, then the HSO shall arrange for additional sources of legitimate program match to eliminate the shortfall. The HSO shall ensure that the Federal program match information entered into the GTS for all traffic safety grants is based on the actual program match amounts reflected on subrecipient vouchers submitted to the HSO for reimbursement. The HSO shall ensure that subrecipients clearly understand the program matching requirements of the funding source for their project and that the amount of match required may be substantially higher than the Federal funds they receive for expenditure.

As provided in the [NHTSA Highway Safety Grant Funding Guidance, Part II, B and Appendix A](#), the required State match amount is calculated as a percentage of the total (Federal and State) program costs. Those States affected by nontaxable Indian lands, Public Domain lands, National Forest, National Parks and Monuments that qualify for "Sliding Scale Matching Rates" should refer to [NHTSA Order 462-6C State Matching Rates](#). See also [23 CFR Part 1200.20\(f\) for section 405](#) and [23 USC Part 120\(b\)](#).

The HSO is responsible for calculating, documenting and recording required match by program. Special attention should be paid to unique requirements of specific programs. Written documentation of match must be on file and updated annually. The match funds must relate to the program type of the funding source (i.e. funds used to support impaired driving related programs must be used to meet Section 410 match requirements). Section 402 match dollars may have a general traffic safety purpose. For all match funds identified and documented by the HSO, no other program (Federal, State or local) may utilize the same dollars as program match.

INDIRECT COSTS: Indirect costs may be used as match for the Federal highway safety program. If the HSO uses indirect costs as match, then the costs would be auditable. The HSO also must document indirect costs to its share for the highway safety benefit only. If indirect costs are used as match, the HSO must be able to document that the match is not being used elsewhere or for matching another program. See Chapter IV. Grant Selection and Execution, Section H (i) P&A Match Requirement.

MATCHING REQUIREMENTS: [NHTSA Grant Funding Guidance Appendix A-Grant Funding Requirements](#)

MAP– 1 and the FAST Act (beginning FY2014)

Section 402 and Section 405:

- Federal share is not to exceed 80% unless a special matching write off is used (i.e. sliding scale rate authorized under 23 USC 120(b)).
- No match is required for U.S. Territories or for the Indian Highway Safety Program.

Matching Requirements for P&A:

- Section 402 (including Section 154 & 164 funds transferred to Section 402)
 - The Federal P&A share shall not exceed 50% of total P&A costs, except for select States using the sliding scale for match (See NHTSA Order 462-6C).
 - The limit on the amount of Section 402 funds (and repurposed 402 funds) that can be spent on P&A is 13 percent of the total new 402 funds programmed for expenditure. The funds are required to be used in support of alcohol-impaired driving programs only.
 - No match is required for Section 154 or 164 funds transferred to Section 402. Section 154 or 164 funds may be moved from P&A back to program purposes but not back to P&A.
 - No match is required for U.S. Territories (23 U.S.C. 120(i)), or for federally recognized Indian Tribal governments (23 USC 402 (h) under the Indian highway safety program.

Table 16. Summary of NHTSA Grant Fund Requirements for SAFETEA-LU Programs

Program Area	State Match	Planning & Administration	Local Use	Miscellaneous Information
Section 402	20% of total program costs; Exception: Select States use a sliding scale for State Match; Exempt: Indian Nations & Territories	Ceiling: P & A funds restricted to 10% of federal funds received annually; Note – Indian Nations restricted to 5% administrative takedown. Match: 50% match; Exception - Select States use a sliding scale for State Match; Exempt - Indian Nations & Territories	At least 40% of Federal funds spent by locals or designated as the benefit of locals; Exempt: DC, Puerto Rico. Note: Indian Nations and Territories A total of 95% of federal funds must be spent for local benefit/participation of Indian tribes.	

Section 405 - K2	25% 1 st - 2 nd yr. 50% 3 rd - 4 th yr. 75% 5 th - 6 th yr. (of total program cost) *Beginning in FY04 for States awarded TEA-21 405 funds in FY03 and FY04. Exempt: Territories	None	None	State will maintain its aggregate expenditures from all other sources for occupant protection programs at or above the average level of expenditures for FYs 2004 & 2005
Section 406 – K4	None	Ceiling: P & A funds restricted to 10% of federal funds received annually; Match: None required.	None	At least \$1 million of grant funds received by each State must be obligated for behavioral highway safety activities.
Section 408 – K9	20% of total program costs; Exempt: Territories	None	None	State will maintain its aggregate expenditures from all other sources for highway safety data programs at or above the average level of expenditures in its 2 fiscal years preceding the date of enactment of SAFETEA-LU.
Section 410 – K8	25% 1 st - 2 nd yr. 50% 3 rd - 4 th yr. 75% 5 th - 6 th yr. (of total program costs); Exempt: Territories	Ceiling: P & A funds restricted to 10% of Federal funds received annually; Match: 50% hard match; Exception Select States use a sliding scale for State Match; Exempt - Territories	None	State will maintain its aggregate expenditures from all other sources for alcohol traffic safety programs at or above the average level of such expenditures in its 2 fiscal years preceding the date of enactment of SAFETEA-LU. These

				funds may support both alcohol and drug impaired activities.
Section 1906 – K10	20% of total program costs Exempt: Indian Nations & Territories	None	None	
Section 2010 – K6	None	None	None	State will maintain its aggregate expenditures from all other sources for motorcyclist safety training programs and motorcyclist awareness programs at or above the average level of such expenditures in its 2 fiscal years preceding the date of enactment of SAFETEA-LU.
Section 2011 – K3	25% 1 st – 3 rd yr. 50% 4 th yr.	None	None	State will maintain its aggregate expenditures from all other sources for child safety seat and children restraint programs at or above the average level of such expenditures in its 2 fiscal years preceding the date of enactment of SAFETEA-LU. Child Safety seat purchases limited to 50% of annual award.

Section 154 & 164 Transfer AL – Open Container & Repeat Offender Funds HE – Open Container & Repeat Offender Funds	None	Ceiling: P & A funds restricted to 10% of Federal funds received annually; Match: None required	AL: At least 40% of Federal funds spent by locals or designated as the benefit of locals; Exempt: DC, Puerto Rico & HE – Open Container & Repeat Offender Funds	AL – Alcohol funds take on the characteristics of Section 402 funds and HE – Hazard Elimination funds take on the characteristics of FHWA's 23 USC 148 or 152 funds. These funds may NOT be expended on drug impairment related activities.
Section 163 designated as Section 402 program	None	Ceiling: P & A funds restricted to 10% of Federal funds received annually; Match: None required	At least 40% of Federal funds spent by locals or designated as the benefit of locals; Exempt: DC & Puerto Rico	These funds take on the characteristics of Section 402 funds. These funds are retained by FHWA and accounted for by the State's Highway agency and specific codes: <u>QN-10</u> for NHTSA highway safety programs and <u>QN-08</u> for Federal-Aid highway type programs have been established to allow for separate accountability.
Section 163 designated as other Title 23 programs	None	None	None	These funds take on the characteristics of the program the funds in which they are used. These funds are retained by FHWA and accounted for by the State's Highway agency and specific codes: <u>QN-10</u> for NHTSA highway safety programs and

				QN-O8 for Federal-Aid highway type programs have been established to allow for separate accountability
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D. Grant Tracking Spreadsheet

A Grant Tracking Spreadsheet is available in SAP via ZG01 to assist Accounting Department and HSO staff with tracking the current financial status and other related information regarding each approved grant agreement. The spreadsheet is available in an on-going basis in SAP as soon as the WBS elements are funded

The spreadsheet should contain the following information for each grant agreement:

- Funding source
- Program name HSP Project number
- Project name
- Proposed grant amount
- State accounting system number
- State agency agreement number, if applicable

The HSO Department Manager creates the Grant Spreadsheet which is reviewed frequently by the HSO staff and other Department staff to assure the accuracy and completeness of the information, to check the financial status of each grant agreement use SAP. The spreadsheet is used to compare to GTS and ensure accuracy of expenditures and GTS voucher.

E. Allowable Costs

Prior to FY2016 49 CFR Part 18.22 of the “Uniform Administrative Requirements for Grants and Cooperative Agreements” and 2 CFR Part 225 established the principles for determining allowable costs. Beginning with FY2016 grants, [2 CFR Part 200 Uniform Guidance](#) is the controlling Federal regulation. Cost principles are contained in [2 CFR Part 200, Subpart E](#). Costs must be reasonable, allocable and necessary. Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also Part 200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also Part 200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

Applicable cost principles. For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following table lists the kinds of organizations and the applicable cost principles.

Table 17. Applicable Federal Cost Principles by Organization Type

For the costs of a --	Use the principles in --
State, local or Indian tribal governments; Educational Institutions and Nonprofit organizations	2 CFR Part 200 Subpart E
Nonprofit Organizations Exempted From Subpart E	Appendix VII to 2 CFR Part 200
<u>Hospitals</u>	<u>Appendix IX to 2 CFR Part 200</u>

i. Federal Regulations – Allowable Costs

Prior to FY2016 [2 CFR Part 225 "Cost Principles for State, Local and Indian Tribal Government: \(OMB Circulate A-87\)](#) established principles for determining the allowable costs incurred by State, local, and federally-recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government. Appendix A of A-87, General Principles for Determining Allowable Costs, provided principles to be applied in establishing the allowability or unallowability of certain items of cost. Appendix B of A-87, Selected Items of Cost for guidance regarding specific items commonly addressed by States.

For FY2016 and forward [2 CFR Part 200 General Provisions of Costs](#) is applicable, see Parts 421 – 475. This section provides principles to be applied in establishing the allowability of certain items involved in determining cost, in addition to the requirements of Subtitle II. Basic Considerations, of that subpart. These principles apply whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost. Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost, and based on the principles described in Part 200.402 Composition of costs, through 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs. In case of a discrepancy between the provisions of a specific Federal award (NHTSA) and these provisions, the Federal award governs. Criteria outlined in Part 200.403 *Factors affecting allowability of costs*, must be applied in determining allowability. See also Part 200.102 *Exceptions*.

ii. NHTSA Grant Funding Policy - Allowable and Unallowable Costs

The [NHTSA Highway Safety Grant Funding Guidance, Part III and IV](#) Allowable Costs under "Specified Conditions or Limitations for Selected Items" and "Unallowable Costs for Selected Items" are available on line and should also be consulted. See below for the topic areas included in Parts III and IV.

Part III. Allowable costs under specific conditions or limitations for selected items:

- Equipment
- Travel
- Training
- Program administration (consultant services; purchase of alcohol [also see Part IV, D.3.], but in no case for consumption, in "sting" type operations as long as the operations are not in conflict with any Federal, State or local law; meetings and conferences; research; working with neighboring States)
- Public communications (advertising space)

Part IV. Unallowable costs for selected items:

- Facilities and construction including office furnishings and fixtures
- Equipment
- Training
- Program administration (supplanting, civilian or military agencies, alcoholic beverages, entertainment, commercial driver, drug impaired activities with Section 154/164 funds)
- Lobbying

See also NHTSA Uniform Guidance Questions and Answers March 5, 2015 and August 20, 2015.

iii. Automated Traffic Enforcement Systems Funding Prohibition

Beginning with MAP-21 in FY2014, the HSO may not expend funds apportioned under Section 402 to carry out a program to purchase, operate or maintain an automated traffic enforcement system. The prohibition includes any camera which captures an image of a vehicle for the purposes only of red light and speed enforcement. NOTE: This does not include hand-held radar and other devices operated by law enforcement to make an on-the-scene traffic stop, issue a traffic citation or other enforcement action at the time of the violation. Beginning with FY17, the FAST Act requires States with automated traffic enforcement systems to use Section 402 funds to conduct a biennial survey that lists the systems in the State, data to measure transparency, accountability and safety, and, a comparison of the systems to U.S. DOT guidelines on Speed Enforcement and Red Light Running.

iv. Motorcycle Checkpoint Funding Prohibition

For FY17 and beyond, the FAST Act prohibits the HSO from expending NHTSA grant funds for any program to check motorcycle helmet usage or to create check points that specifically target motorcycle operators or motorcycle passengers.

v. Proportional Benefit

The HSO or a subrecipient may have a cost for a project or activity that benefits two or more projects or activities. As provided in the Uniform Guidance at [2 CFR Part 200.405](#), if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

vi. Collection of Unallowable Costs

As provided by [2 CFR Part 200.410](#), payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also Subpart D—Post Federal Award Requirements of this part, and Part 200.300 Statutory and national policy requirements through 200.309 Period of performance.

See also Chapter III. Project Development, Section E. Grant Proposal Preparation Process, vii. Budget, and, Chapter V. Grant Administration and Management.

F. Single Audit Procedures – Federal Requirements

Prior to FY2016 the Federal directive is contained in OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations” and the audit threshold was \$500,000 or more in Federal awards. **For FY2016 and forward** the Federal directive is within the OMB Uniform Guidance at [2 CFR Subpart F 200.500 - 521](#) and the threshold was increased to **\$750,000** or more.

The Federal regulation implements the Single Audit Act amendments of 1996 and provides uniform single audit requirements for all non-Federal grantees including State and local governments, colleges and universities, hospitals, and other non-profit organizations.

Subrecipients expending at or above the application threshold in Federal awards from all sources must complete and submit a single audit. To communicate this requirement, the HSO includes a standard requirement in all subrecipient agreements that describes the conditions that are subject to a single audit or review. The requirement also states that subrecipients must submit copies of any audits and review reports which they have had prepared to the HSO for informational purposes if requested regardless of whether the criteria for audit or review are met.

The HSO process or system to ensure that copies of all audits and other review reports pertaining to subrecipients are received and reviewed to determine the potential existence of findings that may require appropriate and timely corrective action. The HSO *PM and PCA* shall access at least quarterly the [Single Audit Database \(Harvester.com\)](#) maintained on line by the Federal Audit Clearinghouse (FAC) to determine whether audits for any current subrecipients have been posted.

The HSO shall check the [Federal Excluded Parties List System](#), [System for Award Management \(SAM\)](#) site or collect a certification from the subrecipient, or add a clause or condition to the covered transaction (2 CFR Section 180.300 – an OMB requirement).

The HSO shall determine whether the audit meets the requirements of the Uniform Guidance. **For FY2016**, the auditor must report in findings any known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program, see Part 200.516. Subrecipients shall provide access to their records and financial statement as necessary, see Part 200.331(a). As provided in [2 CFR Part 331\(g\)](#), as a pass-through entity the HSO is responsible for issuing a management decision for audit findings that relate to Federal awards it makes to subrecipients and must do so within **six months** of acceptance of the audit report by the FAC. The auditee must initiate and proceed with corrective action as rapidly as possible and corrective action should begin no later than upon receipt of the audit report. The HSO shall notify NHTSA of CDOT related issues and ensure that subrecipients take appropriate and timely corrective action in addressing audit findings. In cases of continued inability or unwillingness to have an audit conducted as required, the HSO shall take appropriate action using sanctions such as: (a) withholding a percentage of Federal awards until the audit is completed satisfactorily; (b) withholding or disallowing overhead costs; (c) suspending Federal awards until the audit is conducted; or (d) terminating the Federal award. See also Chapter V-Grant Administration and Management, Section P. Resolution of Monitoring Findings. CDOT Audit will also be working with all grantees to ensure audits are received timely and will follow-up with sanctions as needed to ensure compliance.

The single audit concept provides that recipients of Federal funds use their own procedures to arrange for audits made on an organization-wide basis, rather than a grant or project basis. If this organization-wide audit complies with the specific requirements of the Uniform Guidance, then no additional audit requirements are normally imposed and all grantor agencies will rely on such audits.

Chapter VII Annual Report (AR)

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VII. Annual Report (AR)

A. Overview

The HSO is responsible for submitting the AR to the NHTSA Regional Office. The report describes the accomplishments of the HSO. The report is due within 90 days after the end of each Federal fiscal year (December 31).

The Regional Office utilizes a standard checklist to review the AR and provides a formal review letter to the HSO. The review ensures that the HSO adequately follows specified requirements and procedures in developing the plan, and, compares the targets and performance measures in the Highway Safety Plan (HSP) to the AR and the most recently available data to measure State safety performance progress.

B. Federal Requirements

i. Required AR Contents

As prescribed in 23 CFR §1200.35, within 90 days after the end of the fiscal year, each State is required to submit an AR describing:

- a. A general assessment of the State's progress in achieving highway safety performance measure targets identified in the Highway Safety Plan (HSP);
- b. A general description of the projects and activities funded and implemented under the HSP;
- c. The amount of Federal funds expended on projects from the HSP, and,
- d. How the projects funded during the fiscal year contributed to meeting the State's highway safety targets. Where data become available, a State should report progress from prior year projects that have contributed to meeting current State highway safety targets.

ii. Progress Report

The HSO compiles the information contained in the subrecipient Final Reports, year-end statistics, fund expenditure reports and other pertinent information. The AR progress report section includes:

- Identification of the highway safety performance targets established in the HSP and a general assessment of the State's progress in working toward achievement of those targets
- A general description of each of the projects and activities funded and implemented under the HSP – like projects and activities can be aggregated for this description
- Identification of the final amount of Federal funds expended on each project. If the HSO enters data into the GTS system at the project level, the final voucher will meet this requirement
- A description of how the projects funded contributed to meeting the highway safety targets. This includes projects from a prior year if data is recently available which indicates the project contributed to meeting the current highway safety targets
- Paid Media projects may be reported within the applicable individual program area or grouped in a separate summary report. If a separate summary report for Paid Media is provided, a reference should also be included in the respective program area to identify the contribution to the program area performance measure target. See [NHTSA Highway Safety Grants Management Resources-Advertising Guidance](#).
- If under SAFETEA-LU section 2011 funds were received which have been expended in the fiscal year, a report must be included within the Annual Report for each fiscal year until all Child Restraint grant funds are expended. See [23 USC 405 Section 2011](#) and [Implementing Guidance for Child Restraint Grant Program](#) for the specific information required to be included in the report.
- If an Attitudes Survey is conducted, the complete findings are required to be reported in the following year's AR. By mutual agreement between NHTSA and GHSA, States began conducting an annual Attitudes Survey in FY2010. The survey contains 9 recommended (or equivalent) questions on occupant protection, impaired driving and speeding. See the GHSA web site, Projects page: [Survey Recommendations for the NHTSA-GHSA Working Group](#) Reporting of the survey results by the States began with the FY 2010 AR, see [Traffic Safety Performance Measures for States and Federal Agencies DOT HS 811 025](#) While conducting the surveys is not required in MAP-21, States are strongly urged to continue doing them and reporting the results.

iii. Recommended Elements - Optional Ideas

Cover page containing the State, Governor's name, Governor's Highway Safety Representative, and location of the Highway Safety Program Coordinator including contact information (name, address, phone, fax, email)

Table of Contents

Message from the Governor's Representative /Coordinator

Executive summary including discussion of any difficulties which may have affected the full attainment of stated targets

Mission and Vision Statements

Statewide HSO Program Overview including information on the Highway Safety Programs, who is involved with administering the programs and significant administrative accomplishments

State Enforcement Plan Results

Legislative Summary – significant accomplishments

List of traffic safety partners and/or groups used to develop the programs

Fiscal overview of obligations and expenditures by program area with graphs and charts

Future plans and targets to be set

Report Design

C. Governors Highway Safety Association Guidance

The GHSA is proactive in providing planning tools for the States. The first GHSA sponsored initiative was a “template” to standardize the ARs. GHSA revised the AR Guidance in October 2013. The previous “GHSA Annual Report Template” was a sample data spreadsheet. In the current version the spreadsheet has been eliminated. The spreadsheet was not widely used because over the years the States had developed their own protocol for generating and displaying the required data.

Each State’s AR is posted annually by NHTSA to their web site for public viewing.

The [GHSA Annual Report Guidance](#) is available and can be downloaded from the GHSA web site, Planning Resources. Note that this document is still in draft form. NHTSA has reviewed it and provided input, but it is possible that minor changes will be made.

The GHSA AR Guidance is organized by required and recommended elements. For the required elements, best practice examples are provided.

States are encouraged to review the GHSA AR Guidance and utilize this resource proactively.

D. AR Development Process Calendar

The HSO develops the AR in accordance with a schedule of activities and assigned responsibilities to assure completion of the AR by the NHTSA deadline. The Federal deadline for submission of the annual AR is December 31. This is a firm deadline. To ensure completion of the AR by the deadline, it is recommended that the HSO establish and follow an AR Development Process Calendar.

A deadline for submission of Final Reports from subrecipients must be set and tracked which allows adequate time for the HSO to receive, analyze and compile the required information for the Annual Report. Following is an example of an AR Development Process Calendar. The Calendar can be modified to add staff assignments and track completion of the AR.

Table 18. AR Development Process Calendar

Timeline	Activity
<i>Beginning of fiscal year:</i> October-September	Review subrecipient and HSO progress and monitoring reports during the year to identify significant highlights or accomplishments for inclusion in the AR
<i>End of fiscal year:</i> October 1	Track receipt of subrecipient Final Reports and send reminders where needed ensuring that all projects in the initial HSP and any amended or new projects during the year are included Analyze and assemble data for each HSP core, other and activity performance measure to determine the State's progress in achieving performance targets for the year Update State crash data and trends with the most recent available data
November 15	Deadline for submission of subrecipient Final Reports
October-November 30	Review subrecipient Final Reports and develop a general description of each project and activity funded and implemented including the total Federal fund expenditures (like projects and activities may be aggregated) For each Program Area develop a general summary of the following: <ul style="list-style-type: none"> • problem statement • objectives • performance measures • performance targets • description of each project and activity funded and implemented • description of how the projects contributed to meeting the target • Federal funding amount expended and source for each project implemented Paid Media projects may be reported within the applicable individual program area or may be grouped
	If section 2011 funds were expended, compile the required Child Restraint Grant Program report

	Compile the annual State Attitudes Survey results
December 15	Develop any optional sections to be included Assemble the AR components into a first draft for review
	Produce final Financial Obligation Closeout (voucher) and obtain HSO Administrator approval
December 23	Submit draft AR for final review and approval by HSO Administrator
December 31	Submit final AR to NHTSA Regional Office
January 1	Distribute copies of AR to the HSO email list including State and Congressional legislators and post on the HSO web site (optional)

Chapter VIII Closeout

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VIII. Closeout

A. Overview

Grant and the Federal fiscal year closeout activities begin when all required progress reports, Final Reports and final invoices have been received from subrecipients by the Highway Safety Office (HSO). When final claims are processed, the Department procedures for submittal of the final Federal reimbursement voucher must be followed. Included in this process is the final determination of the amount of program funds actually expended and the under run amount which is available for carry forward to the new program year.

Part of this process also involves the final determination of the amount of Federal funds expended for local benefit (40 percent minimum required), see [Appendix E to 23 CFR Part 1200-Participation by Political Subdivisions](#), and that the State and local match to the program met or exceeded the minimums based on the Federal funding source requirements. See Chapter VI. Fiscal Procedures, Section C, Matching Funds.

B. Deadlines, Penalties and Extensions

The State's HSP for a fiscal year and the State's authority to incur costs under that plan expire on the last day of the fiscal year. Beginning with MAP-21, the State is no longer permitted to extend the right to incur costs under the old fiscal year's HSP. Grant funds remaining at the end of the fiscal year are available for expenditure during the next fiscal year provided the State has a new HSP approved by NHTSA and the remaining funds (carry forward) are identified and programmed in the HSP and in an updated and approved HS 217. See 23 CFR §1200.41 (a). See Chapter II. Planning, Section Q. Three Years Plus One Federal Obligation Restriction.

NOTE: Funds obtained under SAFETEA-LU may continue to be expended under the previous rules and will be tracked (coded) separately in the GTS system from MAP-21 funds.

The Uniform Guidance provides that the pass-through entity (HSO) will closeout the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. See [2 CFR Part 200.343](#) for the actions the non-Federal entity and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance.

The HSO is required to submit the State's final billing for the closing grant year to NHTSA by December 31. In order to meet the annual closeout deadline, all final Project Reimbursement Claims must be received by the HSO from subrecipients by November 15 and be entered for payment into the State Accounting System by *December 5th*. Any invoices received from subrecipients after November 15 cannot be processed or approved for payment with Federal funding.

The expiration of the HSP does not affect the ability of NHTSA to disallow costs and recover funds on the basis of a later audit or other review or the State's obligation to return any funds due as a result of later refunds, corrections or other transactions.

i. Penalties

The final voucher constitutes the final financial reconciliation for each fiscal year, see 23 CFR §1200.40. There are penalties for failure to provide the information specified, meet the deadlines or to specify only projects whose project numbers or amounts match the list of projects and do not exceed the estimated amount of Federal funds for the project or the allocation of funds to a program area. The penalties may include rejection of the voucher in whole or in part. See 23 CFR §1200.33 (e).

ii. Extensions

Extraordinary circumstances to request an extension may be brought to the attention of the NHTSA Regional Administrator at the discretion of the HSO Administrator, however it is expected that this would occur very rarely. In this case, the State is required to submit a written request for an extension which describes the extraordinary circumstances necessitating an extension. The approval of any such extension request is required to be in writing, to specify the new deadline for submitting the final voucher and must be signed by the NHTSA Regional Administrator (Approving Official).

All grant related records shall be retained for at least three years from the date the final voucher is submitted to NHTSA

C. Federal Grant Tracking System Closeout Process



Table 19. HSO Closeout Process

Responsible Person	Action
Final invoice received by: Project Manager(PM)	<ul style="list-style-type: none"> PM Date stamps invoice and reviews for payment
	<ul style="list-style-type: none"> Reviews and ensures compliance with grant agreement and receipt of subrecipient's Final Report As necessary, obtain additional supporting documentation from subrecipient or return to agency for completion Signs Forwards to PCA Determines all final invoices have been received for the grant year (Deadline November 15) Sends email notification to PCA that final invoices have been paid so WBS can be closed
Grant Accountant	<ul style="list-style-type: none"> Determines the final required matching shares and 40 percent benefit to locals amount and transmits information to Program Manager Enters final invoice postings to the GTS Notifies the HSO administrator of the amount of known carry forward funding by funding source, if any, for programming in the next fiscal year
Program Control Analyst (PCM)	<ul style="list-style-type: none"> Conducts standard invoice payment reconciliation processes Submits invoices to Business office for final payments by December 5 Works with the HSO to check accuracy of information and enters required State matching share and 40 percent benefit to locals to GTS Closes out the HSO fiscal year in SAP

See also Chapter VI. Fiscal Procedures, Section A. In-house Grant Payment and Federal Reimbursement Voucher Process.

In addition to actual costs to be reimbursed to the State, the State's share of matching funds must be finally calculated based on the final expenditures and entered into the GTS. This calculation determines the total funds, Federal and State matching, which have been spent for NHTSA funding sources.

D. Grant File Closeout

After the final Federal reimbursement voucher for the grant year has been submitted, the HSO closes out each grant number and file for that fiscal year. The *Program Control Analyst* is responsible for completing the grant file closeout in SAP after notification from the Program Manager that final the claim has been processed. The Program Manager is responsible to ensure every file is reviewed for completeness, accuracy of documentation and resolution of any pending matters. The OTS Administrative Assistant will manage file rotation and creating of space for the ensuing year's files. The review will ensure all files contain:

- Claims one through twelve
- Budget and all revisions
- Grant Revision Requests and Responses
- Communications i.e. printed emails, letters, and etc.
- Sub-Contractors signed contract and scope of work
- All electronic files are included in the EDM on the shared drive.

E. Financial Obligation Closeout Summary

The financial obligation closeout is a final accounting of all HSO expenditures for the year. As required in the 23 CFR Part 1200.40, the financial obligation closeout will include a copy of the final official voucher for total expenses incurred which satisfies the requirements of 23 CFR Part 1200.33. The following information for expenses claimed in each program area will be identified in the final voucher as follows:

- Program area for which expenses were incurred and an itemization of project numbers and amount of Federal funds expended for each project
- Federal funds obligated
- Amount of Federal funds allocated to local benefit (March 31 and with the final voucher)
- Cumulative total cost to date
- Cumulative Federal funds expended
- Previous amount claimed
- Amount claimed this period
- Matching rate (or special matching write off used if applicable)

The HSO *Grant Accountant along with the HSO Program Manager* is responsible for completing the final NHTSA Highway Safety Program Cost Summary Form HS 217 and submitting it to the HSO Administrator for signature prior to electronic transmittal of the form to NHTSA for approval by December 31 each year.

The NHTSA Approving Official may extend the time period to submit a final voucher only in extraordinary circumstances. A written request must be submitted for an extension. The approval shall be in writing, shall specify the new deadline for submitting the final voucher and shall be signed by the Approving Official.

The NHTSA Regional Office conducts a first and last voucher review in every State each fiscal year after closeout and no later than mid-March.

See Chapter II. Planning. Section Q. Three Years Plus One Federal Obligation Restriction

Definitions and Acronyms

This manual uses the following terms and acronyms to designate individuals, offices, and processes involved in the traffic safety program:

Accrued expenditures - The charges incurred by the subrecipient during a given period requiring the provision of funds for: (1) Goods and other tangible property received; (2) services performed by employees, contractors, sub-grantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments. Accrued income means the sum of: (1) earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition cost - The net invoice unit price of purchased equipment including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices.

Administrative requirements - Those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from "programmatic" requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

AR – Annual Report

Audit – A review of programmatic and financial records conducted by a certified public accountant, which is the basis of an organization's legally required audit report.

Awarding agency - (1) with respect to a grant, the Federal agency, and (2) with respect to a sub-grant (award), the party that awarded the sub-grant.

Cash contributions - The subrecipient's cash outlay, including the outlay of money contributed to the subrecipient by other public agencies and institutions, and private organizations and individuals. When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as subrecipient cash contributions.

CFR – Code of Federal Regulations

Contract - (except as used in the definitions for "grant" and "sub-grant" in this section and except where qualified by "Federal") a procurement contract under a grant or sub-grant, and means a

procurement subcontract under a contract. Uniform Guidance 2 CFR Part 200.23: *Contract* means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or sub award.

Contractor - means an entity that receives a contract as defined in 2 CFR Part 200.22 Contract

Cost sharing or matching - The value of the third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government. Cost-type contract means a contract or subcontract under a grant in which the contractor or subcontractor is paid on the basis of the costs it incurs, with or without a fee.

Designee – A person or legal entity authorized by contract to perform certain duties on behalf of the HSO.

Equipment - Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of *[\$5,000]* or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

FARS – Fatality Analysis Reporting System

FAST Act – Fixing American’s Surface Transportation Action

FFATA - Federal Funding Accountability and Transparency Act

FHWA – Federal Highway Administration

FSRS – FFATA Sub award Reporting System

GHSA – Governor’s Highway Safety Association

GM – *Grant Manager*

Government - A State or local government or a federally recognized Indian tribal government.

Grant - An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for.

Grantee (NHTSA definition) - The government to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

GTS - *Grant Tracking System*

HSO – *Highway Safety Office*

HSIP – *Highway Safety Improvement Program*

HSP – *Highway Safety Plan*

Local government - A county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

MAP-21 – Moving Ahead for Progress in the 21st Century

Metropolitan Planning Organization (MPO) - a federally mandated and federally funded transportation policy-making organization that is made up of representatives from local

government and governmental transportation authorities. (When regional, referred to as a Regional Planning Transportation Agency.)

Monitoring – A process whereby the HSO assesses program progress and compliance by reviewing project related reports and files, financial records, and interviews subrecipients.

NHTSA – The National Highway Traffic Safety Administration.

NTP - Notice to Proceed

Obligations - The amounts of orders placed, contracts and sub-grants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

OMB - The United States Office of Management and Budget.

Outlays (expenditures) - Charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and sub-grantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subrecipients, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

P & A – Planning and Administration

Percentage of completion method - A system under which payments are made for construction work according to the percentage of completion of the work, rather than to the subrecipient's cost incurred.

PI&E – *Public Information and Education*

PM – *Project Manager*

Prior approval - Documentation evidencing consent prior to incurring specific cost.

Program Area – An area within a highway safety program eligible for traffic safety funding.

Examples include: AL (Alcohol), OP (Occupant Protection), TR (Traffic Records), PT (Police Traffic Services), PA (Planning & Administration), etc.

Program Manager (PM) – The staff person at the HSO assigned to monitor and oversee project activities.

Project – Activities proposed or implemented by the HSO to address highway safety problems falling within one or more program areas.

Project Agreement– The written agreement between this Department and a subrecipient under which the Department agrees to provide funds in exchange for the subrecipient's performance of one or more projects supporting HSO programs.

Project Director – The person assigned by the Grantee to assume direct responsibility for administering all phases of the project agreement.

Real property - Land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

RFP – Request for Proposal

Scope of Work (SOW) – The objectives and activities noted on the Project Agreement, which the subrecipient agrees to perform in compliance with instruction provided by the HSO. The subrecipient shall provide and charge only for those services requested by the HSO.

SAFETEA-LU – *Safe, Accountable, Flexible, Efficient, Transportation Equity Act – A Legacy for Users, Public Law 109-59*

Share - *When referring to the awarding agency's portion of real property, equipment or supplies,*
means the same percentage as the awarding agency's portion of the acquiring party's total costs under the grant to which the acquisition costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted--not the value of third-party in-kind contributions.

SHSP – *Strategic Highway Safety Plan*

State - Any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937.

Sub grant - An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subrecipient. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of "grant" in this part.

Subrecipient - a non-Federal entity that receives a sub award from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency (previously referred to as a sub grantee).

Supplies - All tangible personal property other than "equipment" as defined in this part.

Suspension - Depending on the context, either (1) temporary withdrawal of the authority to obligate grant funds pending corrective action by the grantee or sub-grantee or a decision to terminate the grant, or (2) an action taken by a suspending official in accordance with agency regulations implementing E.O. 12549 to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation and such legal or debarment proceedings as may ensue.

TEA21 - *Transportation Equity Act for the 21st Century, Public Law 105-178*

Termination - Permanent withdrawal of the authority to obligate.

TSRP - *grant program created to provide local law enforcement and prosecutors within the State with a veteran prosecutor, specializing in traffic safety issues with an emphasis in impaired driving, who supports their efforts through training, education, legal research and technical assistance.*

Uniform Guidance - Effective December 26, 2014, the Federal Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Agencies which supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up. AKA Supercircular.

Appendices

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Caution!

Federal regulations may change. To ensure that the most recent version is being utilized, it is recommended that the reader view the regulations **on line**.

Appendix A – Federal Regulations, Documents and Guidelines

The following regulatory items govern the daily administration of traffic safety grants at the State level. Administrators of traffic safety grants should be familiar with and follow each cited title and rule to effectively design and manage programs. Many of these items are cited within the Policy Manual.

Caution! Federal guidance and regulations may change. To ensure that the most recent version is being utilized, it is recommended that the reader view the regulations on line.

The [NHTSA Highway Safety Grants Management Resources](#) is an important resource which should be checked regularly for updates and is available on the Internet. In 2013 NHTSA reorganized the previous Highway Safety Grant Management Manual into key categories and topical searches. Several items detailed below are available within the Resources page.

Covering All Highway Safety Grants

Title	Revisions as of Date
NHTSA Highway Safety Grant Funding Guidance	<u>7/15/2015</u>
OMB Uniform Guidance – for FY2016 and forward 2 CFR Part 200	<u>Technical corrections</u> <u>9/10/15</u>
49 CFR Part 18 — DOT Common Rule-States Resource page for 49 CFR - Common Rule	07/24/2007 <u>For FY2016 replaced by</u> <u>Uniform Guidance</u>
OMB Audits-State/Local Gov. OMB Circular A-133 - Audit of State/Local Govs. & Non-Profit Organ. (same as 49 CFR Part 90)	06/27/03 <u>For FY2016 replaced by</u> <u>Uniform Guidance</u>
OMB Circular A-133. 2009 Highway Safety Compliance Supplement 2009 Compliance Supplement. OMB Circular A-133 (NHTSA portion)	6/24/2009 <u>For FY2016 replaced by</u> <u>Uniform Guidance</u>
Implementation Guide for Office of Management and Budget Circular A-87 (ASMB C-10) Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government	4/08/1997 <u>For FY2016 replaced by</u> <u>Uniform Guidance</u>
State Certifications and Assurances Statements – Appendix A NHTSA Highway Safety Grants Management Resources/Certifications and Assurances	1/23/2013
Lobbying Guidance 23 CFR Part 1200 Appendix A - Certifications NHTSA Highway Safety Grant Funding Guidance - Appendix B	1/23/2013
NHTSA Logo Guidance Use of NHTSA Logo Guidance	1/18/2000
Performance Measures Traffic Safety Performance Measures for States and Federal Agencies	8/01/2008

Appendix B – OMB Circulars

Office of Management and Budget (OMB) circulars are frequently used reference materials in administering grants.

Effective with FY16 grants, NHTSA will require compliance with the OMB Uniform Guidance at 2 CFR Part 200 which consolidates and replaces several federal regulations listed below.

The following table lists OMB circulars that were applicable to the HSO program prior to FY2016:

OMB Circulars Applicable to the Traffic Safety Program prior to FY2016

Document Title	Revisions as of Date
OMB Circular A-21 — 2 CFR Part 220 "Cost Principles for Institutions of Higher Education"	8/31/2005 For FY2016 replaced by <u>Uniform Guidance</u>
OMB Circular A-87 — 2 CFR Part 225 "Cost Principles for State, Local and Indian Tribal Governments" – go to - NHTSA Highway Safety Grants Management Resources	7/24/2007 For FY2016 replaced by <u>Uniform Guidance</u>
OMB Circular A-110 — 49 CFR Part 19 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations" – go to - NHTSA Highway Safety Grants Management Resources	7/24/2007 For FY2016 replaced by <u>Uniform Guidance</u>
OMB Circular A-122 — 2 CFR Part 230 "Cost Principles for Non-Profit Organizations" – go to NHTSA Highway Safety Grants Management Resources	7/24/2007 For FY2016 replaced by <u>Uniform Guidance</u>
OMB Circular A-133 — "Audits of States, Local Government, and Non-profit Organizations"	6/27/2003 For FY2016 replaced by <u>Uniform Guidance</u>

Appendix C. HSP Program Area Accounting Code Designators –

MAP-21

Beginning with FY2014, the SHSO is given the option by NHTSA for Section 405 grant programs of reporting claims in the Grant Tracking System (GTS) at the project or the program level. The project level codes are significantly expanded under MAP-21 and are not listed here. The SHSO should consult the GTS for the Section 405 appropriate project level codes.

The Section 405 program level codes (referred to as “roll up codes”) are:

CODE DESCRIPTION

310	405b OP High
320	405b OP Low
330	405c Data Program
340	405d Impaired Driving High
350	405d Impaired Driving Mid
360	405d Impaired Driving Low
370	405d Impaired Driving Interlock
380	405e Distracted Driving
390	405f Motorcycle Program

SAFETEA-LU

Funding Source	Program Code	Program Area
NHTSA 402		
	PA	Planning and Administration
	AL	Alcohol
	EM	Emergency Medical Services
	MC	Motorcycle Safety
	OP	Occupant Protection
	PS	Pedestrian/Bicycle Safety

	PT	Police/Traffic Services
	TR	Traffic Records
	DE	Driver Education
	AI	Accident Investigation
	DL	Driver Licensing
	SA	Safe Communities
	CP	Community Traffic Safety Project
	SB	Pupil Transportation Safety
	RS	Roadway Safety
	RH	Railroad/Highway Crossings
	SC	Speed Management
	SE	Speed Enforcement
	TC	Traffic Courts
	CR	Child Restraint
	DD	Distracted Driving
	PM	Paid Advertising
	SO	Special Occupant Protection
	YA	Youth Alcohol
	TSP	Teen Safety Program
405 Occupant Protection		
	K2	405 Occupant Protection
	K2PM	405 Paid Media
408 Data Program		
	K9	408 Data Program Incentive

410 Alcohol		
	K8	410 Alcohol SAFETEA-LU
	K8PA	410 Alcohol Planning and Administration
	K8FR	410 High Fatality Rate
	K8HV	410 High Visibility
	K8PM	410 Paid Media
2010 Motorcycle Safety		
	K6	2010 Motorcycle Safety Incentive
2011 Child Seats		
	K3	2011 Child Seat Incentive
	K3PM	2011 Paid Media
1906 Prohibit Racial Profiling		
	K10	1906 Prohibit Racial Profiling
154 Transfer Funds		
	154PA	154 Planning and Administration
	154AL	154 Alcohol
	154PM	154 Paid Media
	154HE	154 Hazard Elimination
164 Transfer Funds		
	164PA	164 Planning and Administration

	164AL	164 Alcohol
	164PM	164 Paid Media
	164HE	164 Hazard Elimination

Appendix D. Non-Conflict of Interest Statement



NON-CONFLICT OF INTEREST STATEMENT

I certify that neither I nor any member of my immediate family has a material, personal, or financial relationship with any offeror, or to a direct competitor of any offeror under consideration by this grant review team. I further certify that no other relationship, bias or ethical conflict exists which will prevent me from evaluating any proposal solely on its merits and in accordance with the Alaska Highway Safety Office evaluation criteria.

Furthermore, I agree to notify the Colorado Highway Safety Office if my personal or financial relationship with one of the offerors is altered at any time during the evaluation process. If I am serving as the grant review team of record I agree to advise the Alaska Highway Safety Office of any changes that could appear to represent a conflict of interest.

Name

Department/Agency

Date

Appendix E. Grant Scoring Criteria

Office of Transportation Safety

FYXX GRANT APPLICATION SCORING FORM

Applicant Agency _____ Project Name _____
 FFY _____ Reviewer Name _____ Title _____

Focus Area: 1. Impaired Driving _____ 2. Young Drivers _____ 3. Motorcycle Safety _____
 4. Speed _____ 5. Seatbelt Compliance _____ 6. Child Passenger Safety _____
 7. Pedestrian/Bicycle Safety _____ 8. Distracted Driving _____ 9. Older Driver _____

Scoring Directions: Score each numbered Evaluation Factor, using the evaluation criteria and point values. Please feel free to use the whole point range. It is ok to give a partial score or a zero if the applicant did not address the criteria sufficiently. Record the score for each section and then calculate Total Score and record on Page 4. In the “**Comments**” box, summarize the list of the strengths and weaknesses for each evaluation factor. Please be specific; your comments may be used in the modification or denial of the application.

EVALUATION FACTOR	
The bulleted statements below each Factor are derived from the Application and Application Instructions	
<p align="center"><u>Problem Identification– 25 total possible points</u></p> <p>Did the applicant:</p> <ul style="list-style-type: none"> ▪ Clearly specify a problem within one emphasis area that the proposed project will address? (0-2 points) _____ ▪ Identify the performance measure(s) the project will address? (0-2 points) _____ ▪ Identify a specific target population and geographic area? (0-3 points) _____ 	

EVALUATION FACTOR	
The bulleted statements below each Factor are derived from the Application and Application Instructions	
<ul style="list-style-type: none"> ▪ Use data specific to the local geographic area and target population to describe the magnitude of the problem to be addressed? (If local data are not available, did the applicant use data from another geographic location and make a compelling case for why and how this also applies to the population identified?) (0-5 points) _____ ▪ Use multiple years of data to describe the magnitude of the problem to be addressed in the target population? (0-5 points) _____ ▪ Include reputable references for each data source? (This may be the Problem Identification Report, local law enforcement, etc.) (0-3 points) _____ ▪ Adequately establish the need for the project in this geographic area and specific population? (0-5 points) _____ 	Score _____
<p><u>Comments</u></p> <p><i>Strengths:</i></p> <p><i>Weaknesses:</i></p>	
<p style="text-align: center;"><u>Project Rationale - 10 total possible points</u>Did the applicant:</p> <ul style="list-style-type: none"> ▪ Choose a countermeasure that is listed in the NHTSA Countermeasures that Work? (0-5 points) _____ <i>5-star strategies receive 5 points, 4-star strategies receive 4 points, 3-star activities receive 3 points, 2-star strategies receive 2 points, 1-star strategies receive 1 point, if the strategy is not listed 0-points.</i> ▪ Clearly and concisely explain the reason for selecting the proposed program or approach? (0-3 points) _____ ▪ Specify an appropriate dosage for the program selected? (0-2 points) _____ <i>One-time events or presentations are generally not evidence-based approaches and should receive a score of 0.</i> 	
<p style="text-align: right;">Score _____</p> <p><u>Comments</u></p> <p><i>Strengths:</i></p> <p><i>Weaknesses:</i></p>	

EVALUATION FACTOR
The bulleted statements below each Factor are derived from the Application and Application Instructions
<p style="text-align: center;"><u>Goal(s), Objectives and Activities – 20 possible points</u></p> <p>Did the applicant's:</p> <ul style="list-style-type: none"> ▪ Project goal(s) impact one or more of the core performance measures? (0-2 points) _____ ▪ Goal(s) describe the final anticipated three-year outcome or result (e.g. reductions in deaths or injuries due to motor vehicle crashes for a particular population)? (0-2 points) _____ ▪ Goal(s) meet the following criteria: identify a target population; declarative statement, no jargon, short, concise, easy to understand; and stated in positive terms? (0-2 points) _____ ▪ Year 1 objectives include all S.M.A.R.T. elements (specific, measurable, attainable, realistic, and time-phased)? (0-4 points) _____ ▪ Year 1 objectives clearly align with the project goal(s)? Will the objectives help the applicant achieve the stated goal(s)? (0-4 points) _____ ▪ Year 1 activities logically describe how each objective will be achieved in a detailed, but concise way? (0-4 points) _____ ▪ Year 1 activities include process indicators appropriate for measuring progress on completing each activity, as well as deadlines? (0-2 points) _____ <p style="text-align: right; margin-top: 20px;">Score _____</p> <p><u>Comments</u></p> <p><i>Strengths:</i></p> <p><i>Weaknesses:</i></p>
<p>Project Evaluation - 15 total possible points</p> <p>Did the applicant include:</p> <ul style="list-style-type: none"> ▪ Clearly articulated and appropriate process evaluation measures (who, what, when, how many) for each project activity? (0-5 points) _____

EVALUATION FACTOR
<p style="text-align: center; margin: 0;">The bulleted statements below each Factor are derived from the Application and Application Instructions</p>
<ul style="list-style-type: none"> ▪ Clearly articulated, appropriate, and realistic outcome evaluation measures (changes in numbers attitudes knowledge, and/or behavior change) for each project objective? (0-5 points) _____ ▪ Clear and reasonable timelines and methods for collecting and analyzing data? (0-5 points) _____ <p style="text-align: right; margin-top: 20px;">Score _____</p> <p><u>Comments</u></p> <p><i>Strengths:</i></p> <p><i>Weaknesses:</i></p>
<p>Agency Qualification/Past Performance – 10 total possible points</p> <p>Did the applicant:</p> <ul style="list-style-type: none"> ▪ Specify staff qualifications, including fiscal and project management experience and staff experience provided is relevant and adequate to administer the project? (0-5 points) _____ ▪ Clearly demonstrate that the agency’s resources and skills are adequate to manage the proposed project? If relevant, are background checks conducted? If the applicant received previous funding from CDOT, was past performance adequate? (0-5 points) _____ <p style="text-align: right; margin-top: 20px;">Score _____</p> <p><u>Comments</u></p> <p><i>Strengths:</i></p> <p><i>Weaknesses:</i></p>

EVALUATION FACTOR
The bulleted statements below each Factor are derived from the Application and Application Instructions
<p>Community Collaboration and Support - 10 total possible points</p> <p>Does the applicant:</p> <ul style="list-style-type: none"> Have established relationships with appropriate internal and external partners to execute and evaluate the proposed project? (0-5 points) _____ Participate, lead, or plan to establish a coalition that will support the goals and objectives of the proposed project (0-5 points) _____ <p style="text-align: right;">Score _____</p> <p><u>Comments</u></p> <p><i>Strengths:</i></p> <p><i>Weaknesses:</i></p>
<p>Long –Term Sustainability – 5 total possible points</p> <p>Did the applicant:</p> <ul style="list-style-type: none"> Include a logical and feasible plan to reduce reliance on federal funding and a long-term plan for the programmatic development and ongoing financial support for the project? (0-5 points) _____ <p style="text-align: right;">Score _____</p> <p><u>Comments</u></p> <p><i>Strengths:</i></p> <p><i>Weaknesses:</i></p>

EVALUATION FACTOR
The bulleted statements below each Factor are derived from the Application and Application Instructions
<p>Budget - 5 total possible points Did the applicant:</p> <ul style="list-style-type: none"> ▪ Submit a budget amount that is reasonable, necessary and supports the project activities. (0-3 points) _____ <p>Provide a budget narrative that clearly explains and justifies the requested funds and demonstrates agency support, including any required agency match. (0-2 points) _____</p> <p style="text-align: right;">Score _____</p> <p><u>Comments</u> <i>Strengths:</i></p> <p><i>Weaknesses:</i></p>
<p style="text-align: center;">Total Score _____</p> <p><u>Overall Comments</u> <i>Strengths:</i></p> <p><i>Weaknesses:</i></p>

Accepted _____

Special conditions _____

Not Accepted _____

Amount Requested: \$_____ Recommended Level of Funding: \$_____

Appendix F. Selected Items of Cost Addressed in the Uniform Guidance

Effective with FY2016 grants, compliance with the OMB Uniform Guidance at 2 CFR Part 200 which consolidated and replaced several federal regulations including OMB Circular A-87.

The following items are covered at 2 CFR Part 200 General Provisions for Selected Items of Cost. Because the Federal regulations have been consolidated, some items are not pertinent to the HSO.

1. Advertising and public relation costs
2. Advisory councils
3. Alcoholic beverages
4. Alumni/ae services
5. Audit services
6. Bad debts
7. Bonding costs
8. Collections of improper payments
9. Commencement and convocation costs
10. Compensation- personal services
11. Compensation – fringe benefits
12. Conferences
13. Contingency provisions
14. Contributions and donations
15. Defense and prosecution of criminal and civil proceedings and claims
16. Depreciation
17. Employee health and welfare costs
18. Entertainment costs
19. Equipment and other capital expenditures
20. Exchange rates
21. Fines, penalties, damages and settlements
22. Fund raising and investment management costs
23. Gains and losses on disposition of depreciable assets
24. General costs of government
25. Goods or services for personal use
26. Idle facilities and idle capacity
27. Insurance and indemnification
28. Intellectual property
29. Interest
30. Lobbying
31. Losses on other awards or contracts
32. Maintenance and repair costs
33. Materials and supplies costs, including costs of computing devices
34. Memberships, subscriptions and professional activity costs
35. Organization costs
36. Participant support costs
37. Plant and security costs
38. Pre-award costs
39. Professional service costs
40. Proposal costs
41. Publication and printing costs
42. Rearrangement and reconversion costs
43. Recruiting costs
44. Relocation costs of employees
45. Rental costs of real property and equipment
46. Scholarships and student aid costs

- 47. Selling and marketing
- 48. Specialized service facilities
- 49. Student activity costs
- 50. Taxes (including Value Added Tax)
- 51. Termination costs
- 52. Training and education costs
- 53. Travel costs
- 54. Trustees

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